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2015

bioFarma

BIOTECH INNOVATION for a BETTER FUTURE

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BIO TECH INNOVATION for a BETTER FUTURE

bioFarma

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BIO TECH INNOVATION for a BETTER FUTURE



With the dedication of all employees of Bio Farma, since 2011 we have been determined and committed in producing a wide range of biotechnological innovation, because innovation is our value.

Implementation of Environmentally Friendly Business Process Innovation as well as Innovation in the field of Environment and CSR, making Bio Farma as the only Indonesian Pharmaceutical Industry to achieve gold PROPER from the Ministry of Environment and Forestry.

In 2015, Innovation Biotechnology has resulted in the development of biological products Erythropoietin (EPO) as well as the development of other life science products.

Now is the time for Bio Farma to continue to innovate in the field of biotechnology to create a better future.

ANNUAL
REPORT
2015

BIOTECH

INNOVATION for a BETTER FUTURE



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TABLE OF CONTENT

BIOTECH INNOVATION FOR A BETTER FUTURE

OPENING

Theme of Annual Report Annual Bio Farma 6

Gold Proper 8



Pentabio Vaccine Vaccine Independence For Islamic & Developing Countries 10

Bio Farma's Significant Achievements in 2015 12

2015 Priority Strategy 14

2015 Strategy 15

Environmentally Friendly Business Processes 17

Vaccine Development Lifecycle 18

Cold Chain System 19

The Journey of a Vaccine 20

Company Products 21

From Indonesia to The World 23



FINANCIAL HIGHLIGHTS

Bio Farma 's Business Results in the Past 5 Years 24

Bio Farma 's Financial Positions in the Past 5 Years 26

Financial Ratios 29

Share Performance and Sharelisting Chronology 30

Summary of Bonds /Sukuk /Convertible Bonds and the Listing Chronology of Other Securities 30

BOARD OF COMMISSIONERS & BOARD OF DIRECTOR S' REPORT

Board of Commissioners' Report 32

- Assessment of The Board of Directors' Performance 33
- Future Prospects 34
- Corporate Governance 34
- Committee Performance Assessment 35
- New Commissioners 36
- Appreciation 37



Board of Directors' Report 38

- Company Performance Analysis 39
- Vaccine and Pharmaceutical Industry Map 39
- Strategic Policy 39
- Strategy and Initiative 39
- Perbandingan Hasil dan Target 40

Analysis of Business Prospects 41
Global Health Security 41
Research and Development Performance 41
National Vaccine Research Forum (FRVN) 42
Human Capital Performance 42
Implementing Corporate Governance 43
Corporate Governance Performance 43
Risk Management Performance 43
Sustainability Performance 44
Sustainable Development Goals (SDGs) 45
Mainstreaming Social and Cultural Aspects 45
Ciletuh National Geopark 45
Changes in Composition to The Board of Directors 46
Appreciation 46
Responsibility Statement For Annual Report of 2015 47

COMPANY PROFILE

Company Name and Address 50
Bio Farma In Brief 52
Brief History of The Company 54
Line of Business 56
Organizational Structure 58
Philosophy, Vision, Mission Our Philosophy 60
Corporate Policy and Culture 61
Brief Profile of Members of The Board of Commissioners 62
Brief Profile of Members of The Board of Directors 68
Human Resources 74
Roadmap for Human Resources Development 74
HR Planning 75
Training and Development 78
Roadmap for Human Resources Development 80
Workforce Profile 82



Shareholding Composition 86
List of Subsidiaries and/or Associated Entities 86
Company Group Structure 86
Sharelisting Chronology 86
Listing Chronology of Other Securities 87
Names and Addresses of Capital Market Supporting Professional Institutions 87
Subsidiaries and/or Branch Offices or Representative Offices 87
Awards and Certification 88
Significant Events 98



MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis	106
Operations Review Per Business Segment	109
Financial Performance	122
Ability to Pay Debt and Trade Collectibles Level	140
Capital Structure and Capital Structure Policy	141
Material Commitments for Capital Goods Investment in The Last Financial Year	143
Capital Goods Investment	144
Comparison Between Targets at The Start of The Fiscal Year and Realization and Targets or Projections to Be Achieved in The Coming Year	149
Subsequent Material Facts and Information	155
The Company's Prospects	156
Marketing Aspect	160
Dividend Policy, Amount of Cash Dividend Per Share, and Amount of Dividend Per Year Announced or Paid for The Past Five Fiscal Years	163
Employee/Management Stock Ownership Program Implemented By The Company	164
Use of Initial Public Offering Proceeds (In The Case That The Company Still Has The Responsibility of Presenting A Use of Funds Report)	164
Information on Material Transactions That Contain Conflict of Interest Aand/or Affiliated Party Transactions	164
Regulatory Changes That Significantly Affect The Company	164
Description of Accounting Policy Changes Implemented In The Last Financial Year	165
Business Sustainability Information	167





CORPORATE GOVERNANCE

Corporate Governance	174
Governance Structure	175
Governance Policy	176
Implementation Objectives of Governance Principles	177
Guidelines and Policies in Governance Implementation	177
Assessment of Governance Implementation	179
Divided Policy	190
Description on the Board of Commissioners	192
Independence of The Board of Commissioners	211
The Board of Directors	213
Board of Commissioners and Board of Directors Performance Assessment	231
Remuneration for The Board of Directors	238
Information on Primary Shareholders and Controlling Shareholders, Direct and Indirect, to Individual Owners	239
Disclosure of Affiliations Between Members of The Board of Directors, Board of Commissioners, and The Ultimate and/or Controlling Shareholders of The Company	240
Audit Committee	242
Nomination and Remuneration Committee	252
Secretary of The Board of Commissioners	253
Other Committees Under The Board of Commissioners	254
Corporate Secretary	265
General Meeting of Shareholders (GMS)	268
Profil Of The Head Of The Internal Audit Unit	277
Quality Assurance	282

Public Accountant 285

Corporate Risk Management 287

Description of The Internal Control System 295

Legal Cases Currently Served By The Company, Its Subsidiaries, and Members of The Board of Commissioners and Directors In The Current Annual Report Year 296

Administrative Sanctions 296

Transactions With Conflict of Interest 296

Access To Corporate Information And Data 297

Code Of Conduct 301

Whistleblowing System 307

Diversity Policy for The Composition of The Board of Commissioners and The Board of Directors 315

Benchmarking 317

INFORMATION TECHNOLOGY

Information Technology Development 320

IT Infrastructure at Bio Farma 321

Information System Governance 322

IT Human Resource Training and Development 324

IT System Investment 325

CORPORATE SOCIAL RESPONSIBILITY

CSR on The Environment 330

CSR on Employment, Occupational Health and Safety 334

CSR on Social and Community Development 336

CSR on Product Responsibility 342



FINANCIAL STATEMENT 345

CROSS REFERENCE TO OJK RULE 407



THEME OF ANNUAL REPORT ANNUAL BIO FARMA





2015

BIOTECH INNOVATION FOR A BETTER FUTURE

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2014

BIO FOR LIFE

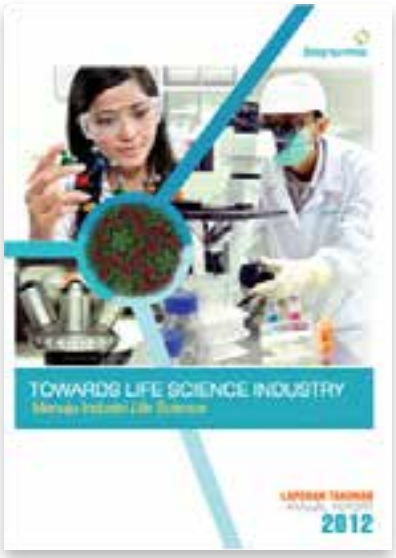
Supported by competence, experience and learning process that span more than 125 years, we are here as part of the fight to save lives and improve the quality of living, as we play a crucial role in developing the health of the nation, maintaining our existence throughout the years. With "Dedicated to Improve Quality of Life" as our philosophy, we are ready to dedicate our hard work to the global health security, so that through Bio for Life, we provide solutions for global welfare.



2013

DEDICATED TO GLOBAL ENVIRONMENT AND PUBLIC HEALTH

With competence, experience and a history of learning of more than 123 years, Bio Farma continues to innovate in research and product development to find new vaccines, which will be able to cope with diseases that continue to grow and threaten human health. We dedicate our hard work to global environment and public health, providing solutions to achieve global prosperity.



2012

TOWARDS LIFE SCIENCE INDUSTRY – A Solution to Global Prosperity

In 2012, Bio Farma revised its company vision "to become a world

class vaccine and immunosera producer of global competitiveness"

with the passion in providing a solution to global prosperity. it is time

for Bio Farma to implement changes by repositioning its portfolio

business process efficiency, advancement of technology and world

class human resources quality enhancement.



2011

BIOTECHNOLOGY INNOVATION IS OUR FUTURE

The status of Bio Farma as the only manufacturer of vaccines and anti sera in Indonesia does not make us complacent. To face the tight competition globally, Bio Farma continues to reform and innovate in various ways, including producing new product to meet market needs. The development of biotechnology-based products becomes the key of our success in the future.

GOLD PROPER

AWARDS FOR THE IMPLEMENTATION OF BEYOND COMPLIANCE AND SUSTAINABLE ENVIRONMENTAL MANAGEMENT



Bio Farma Finance Director Pramusti Indrascaryo received the PROPER Gold award from Indonesian Vice President Jusuf Kalla at the PROPER and ADIPURA 2015 Environment Awards Night at Hotel Bidakara Jakarta.

Bio Farma achieved PROPER Gold for the second time, having also received this recognition in 2014. Bio Farma has implemented environmental management that is beyond compliance (more than required). This signifies that Bio Farma's commitment to achieving environmental excellence at every phase of operations is not in doubt.



2008-2009
Blue PROPER

2011
Green PROPER

2012
Green PROPER

2013
Green PROPER

2014
Gold PROPER

2015
Gold PROPER



Pakidulan Batik, Environmentally friendly Batik with Nano Technology, featuring the motif of the Ciletuh Geopark philosophy, under the guidance of Bio Farma CSR. In September 2015, Pakidulan Batik participated in the International Autumn Fair 2015 in Birmingham, the UK, in 2015.

RESPECTING LOCAL WISDOM

High quality and environmentally friendly vaccine products can only be realized through conducive and environmentally friendly production, as well as the implementation of comprehensive environmental regulation, ranging from the planning stage, to implementation, monitoring, review and continuous improvement, concurrently with the principles of cleaner or eco-efficient production.

Our meaningful spirit of independence cannot be conquered by anyone else in terms of technology and production, which is in line with our philosophy of **"Dedicated to Improve the Quality of Life."** We dedicate our work to public health so as to achieve a better quality of life.

We hold the principle that as Bio Farma's operations and perspective become more global, we must prioritize local content and respect local wisdom. Bio Farma is committed to implementing CSR-based Create Shared Value, how corporate expertise can provide solutions for community development, how corporations are able to provide added benefits through their own knowledge and expertise.



Community Development involves the young generation in Ciletuh Geopark tourist area, at the time Mr. Guy Martini from UNESCO arrived for the preparations for Ciletuh Geopark to receive recognition as part of the Global Geopark Network (GGN) in 2017.

Continual and integrated efforts for improvement exist in Bio Farma's CSR programs, which consist of resource diversity, from Bio-diversity to Geo-diversity and Cultural diversity. This is what has led to Bio Farma gaining PROPER Gold status for the second time.

PENTABIO VACCINE

VACCINE SELF RELIANCE FOR ISLAMIC & DEVELOPING COUNTRIES

16 December 2014, Pentabio 5 in 1 vaccine (Diphtheria, Tetanus, Pertussis, Hepatitis B, Haemophilus Influenzae Type B) achieved Pre-qualification Certification from the World Health Organization.

DECEMBER 2015, PENTABIO 5 IN 1 VACCINE SUCCESSFULLY ENTERS THE FIRST EXPORT MARKET TO SAUDI ARABIA



PENTABIO VACCINE PROOF OF EXCELLENCE

1 One Injection, Five Protections

Protects babies against Diphtheria, Tetanus, Pertussis, Hepatitis B and Haemophilus influenza type B.



2 Saves as much as 68.57 Mwh of Energy Per Year



3 Reduces Water Consumption by up to 66.67%, Reduced Water Pollution Load of 914 m3



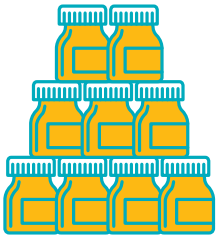
4 Minimizes visits to the Clinic



5 Conserves Raw Materials & Packaging by up to 10.21%

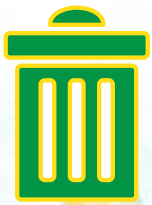


6 Reduces Hazardous and Toxic Waste (B3) by about 75%



7 Significantly Reduces the amount of Packaging Waste and is an Environmentally Friendly Product

Decreased waste DTP + Hb 16.49 tons, Pentabio (DTP + Hb + Hib) 5.54 tons.



Vaccine Beneficiaries in Indonesia Per Year

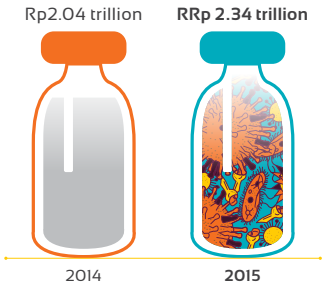
Million Babies + 27.6 Million School Age Children + 15 Million Fertile Women



BIO FARMA'S SIGNIFICANT ACHIEVEMENTS *In 2015*

NET SALES

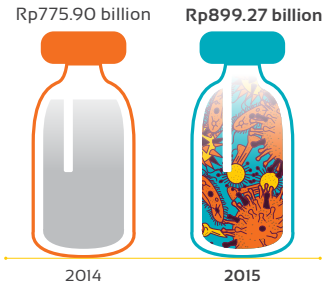
INCREASE 14.77%



Net sales for Bio Farma in 2015 amounted to Rp2.34 trillion, or a rise of 14.77% compared to realization in 2014 of Rp 2.04 trillion.

PROFIT BEFORE TAX

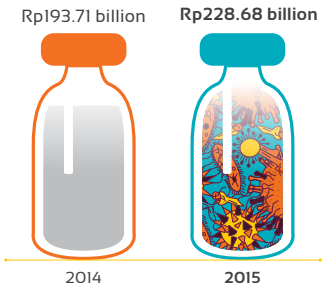
INCREASE 15.90%



Bio Farma successfully recorded profit before tax of Rp899.27 billion in 2015, or a rise of 15.9% compared with realization in 2014 of Rp 775.90 billion.

CURRENT TAX EXPENSE

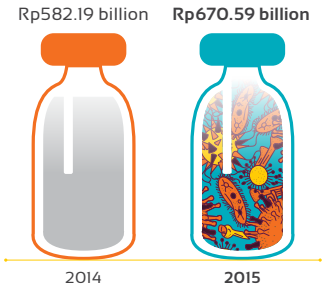
INCREASE 18.05%



Bio Farma contributed to the State through the income tax payments amounting to Rp 228.68 billion in 2015, or an increase of 18.05% compared to realization in 2014 of Rp 193.71 billion.

NET INCOME

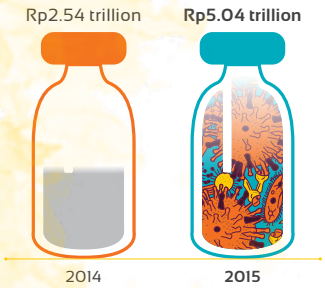
INCREASE 15.18%



Bio Farma booked net profit of Rp 670.59 billion in 2015, an increase of 15.18% compared to realization in 2014 of Rp 670.59 billion.

TOTAL EQUITY

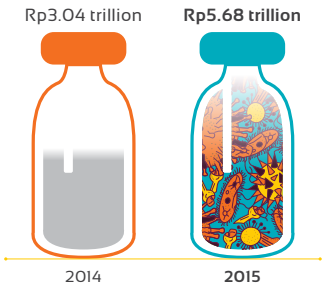
INCREASE 98.43%



Bio Farma's total capital reached Rp 5.04 trillion in 2015, an increase of 98.43% compared to realization in 2014 of Rp 2.54 trillion.

TOTAL ASSETS

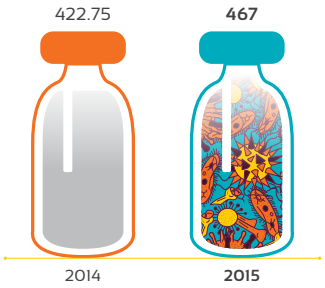
INCREASE 86.84%



Bio Farma has been in business for 125 years and reached a new milestone in 2015 as a company with assets of Rp 5.68 trillion. Bio Farma's total assets increased by 86.84% compared to 2014's total of Rp 3.04 trillion.

EXCELLENCE PERFORMANCE ASSESSMENT CRITERIA

INCREASE
10.47%



The Assessment Results for Excellence Performance Assessment Criteria (KPKU) in 2015 totaled 467, an increase of 10.47% compared to 422.75 in 2014.

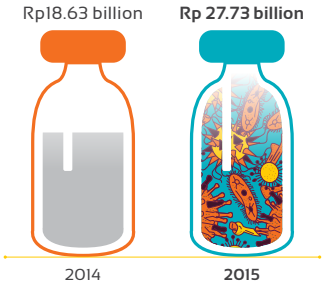
GCG SCORE ASSESSMENT

86.83

Category
VERY GOOD

HUMAN CAPITAL COMPETENCE DEVELOPMENT SECTOR

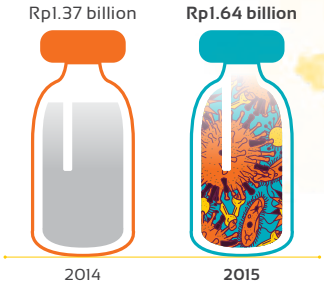
INCREASE
48.85%



Costs for Human Resource Development compensation in 2015 reached Rp 27.73 billion, a rise of 48.85% compared to Rp 18.63 billion in 2014.

EXPORT PERFORMANCE

INCREASE
19.71%



The company's performance in the export sector in 2015 amounted to Rp 1.64 billion, or an increase of 19.71% compared to 2014, which totaled Rp 1.37 billion.



Bio Farma once again achieved an award for 2015 Public Information Disclosure from the Central Information Commission. The award was presented directly by President of the Republic of Indonesia Joko Widodo to Bio Farma Production Director Juliman at the State Palace of the Republic of Indonesia in Jakarta on Tuesday (15/12/2015).

2015 PRIORITY STRATEGY

Our objective is to create sustainable value for all the Company's stakeholders, becoming a globally competitive Life Science company. To achieve this objective, we need to accelerate our move toward change in Bio Farma to become a leading world-class company can be achieved through an integrated strategy implemented in 2015.

INTEGRATED STRATEGY TOWARDS WORLD CLASS COMPANY

Research & Partnership

Improvement of the R&D activities are focused on enhancing our product portfolio, beginning with the improvement of the R&D Division organizational structure to be more focused and efficient in terms of operations and business model, and also improve the competence of our human capital.

We continue to focus on improving our R&D results' quantity and quality by creating a synergy with various research institutions and universities, governmental institutions and enterprises, both from the country and overseas. we believe that the long-term growth for life science products will continue to rise, in line with better understanding among people on the importance of health.

Information Technology

Our information technology strategy is one of the steps in the business transformation of Bio Farma. This will enable Bio Farma to compete in the global scene. Information technology used for supporting our vaccine production include the implementation of Enterprise Resource Planning (ERP) and Electronic Batch Production Record (E-BPR). The implementation of ERP helps control all processes and activities and also integrate all data.

Investment

The investment strategy is implemented by increasing production capacity and adding to the portfolio of products realized through additional infrastructure investment and land for production facilities. We always select land for production facilities by observing compliance with all green aspects from the very beginning.

Marketing

Our marketing strategy consists of expanding our export market, our private market share in the domestic market, and improving the public's awareness on the importance of preventing infectious diseases through the use of vaccines. Market penetration for adult vaccine products is carried out in the private sector of the domestic market as well as through geographical marketing activities and market development. Our marketing aspect is also strengthened by the improvement of the Company's reputation through education, information dissemination on various media, both domestic and overseas.

Product Supply Chain

The strategy to increase production capacity is carried out by adding new production machinery, especially for the fill and finish process. The implementation of the Material Resource Planing (MRP) to support the inventory control process is aimed at ensuring raw material availability so that all production processes can take place as planned, and thus the vaccines that we produce can meet public demand.

2016 STRATEGY

Now it is time for Bio Farma to make changes and move toward a better direction by prioritizing the 2016 Strategy for globally competitive biotechnology innovations.

1

CORPORATE PLAN & BUSINESS DEVELOPMENT STRATEGY



2

HUMAN CAPITAL & INNOVATION STRATEGY



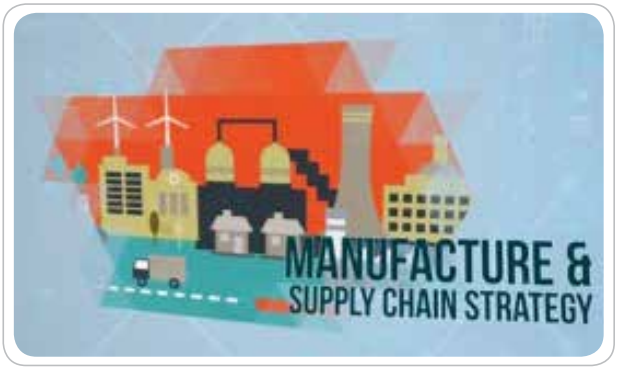
4

INVESTMENT & ASSET MANAGEMENT STRATEGY



3

MANUFACTURE & SUPPLY CHAIN STRATEGY



5

FINANCIAL SUPPORT STRATEGY



Every aspect of Bio Farma's production must meet the standards in the current Good Manufacturing Practices (cGMP) set by the World Health Organization (WHO).



ENVIRONMENTALLY FRIENDLY BUSINESS PROCESSES

The vaccine production process is very highly regulated and complicated. This Vaccine Production Process is a general illustration, however, this process does not illustrate the production of all vaccines, or certain vaccines, made by Bio Farma.



ENVIRONMENT AWARDS



PROPER GOLD 2015 from the Indonesia Ministry of Environment and Forestry



INDONESIA GREEN COMPANY AWARD



GLOBAL GREEN AWARD Berlin March 2015

VACCINE DEVELOPMENT LIFECYCLE

Research is the basis for the development of a product. Research begins with an exploratory stage, where the pattern of a disease that becomes the subject of the research is studied in order to be understood. Identification of a molecule or antigen that will be used as a precursor for a product, as well as the method to produce or to purify such antigen, are two critical things in the development of a product. Also important is the information regarding the seed's history and the documentation of the material. The output of this research is the proof of concept.

.

RESEARCH AND DEVELOPMENT

1 Find Potential Disease

Determining diseases that can be prevented by vaccination.

2 Exploratory

Conducting preliminary research to determine the type of virus or bacteria that can provide immunity to the human body. At this stage, vaccine candidates are determined (3-5):
-Understand the disease.
-Epid Data.
-Identify antigen

3 Vaccine Candidate Design

- *Seed history.*
- *Presentation.*
- *Route of administration.*

4 Vaccine Characterization

To understand the immunogenicity in animals and its safety (6 Months).

5 Preclinical Studies

- *Safety.*
- *Toxicology.*
- *Teratology.*
- Dan lain-lain. Etc.

6 Pilot Scale Manufacturing

Manufacturing of vaccines at the pilot scale, taking into account these aspects:
- Clinical lots.
- Current Good Manufacturing Practise (cGMP).
- Quality Control (QC).
- Quality Service (QS).

7 CLINICAL DEVELOPMENT

Phase I | Phase II | Phase III

Clinical Trial I: Understanding the safety of product and side effects that may arise. In this stage, the product is administered to 10 to 100 people.
Clinical Trial II: understanding and evaluating the immunity response by increasing the number of respondents to 100-300 people.
Clinical Trial III: Understanding the efficacy level of the vaccine by statistical calculation of subjects.

8 Regulatory Approval

Register and compile data on safety level, efficacy, and immunity level, to the authorities (Food & Drugs Supervision Agency or BPOM). Time frame required is around 100 to 300 working days.

9 Commercial Manufacturing

- Regulatory Compliance.
- Current Good Manufacturing Practise (cGMP).
- Quality Control (QC).
- Quality Management System (QMS).
- Post Marketing Surveillance (PMS).

This vaccine development lifecycle is for illustrative purposes only and provides general overview. It is not representative of the development of any or all vaccines produced by Bio Farma.

COLD CHAIN SYSTEM

Vaccine is a biological product that requires special handling in its distribution.

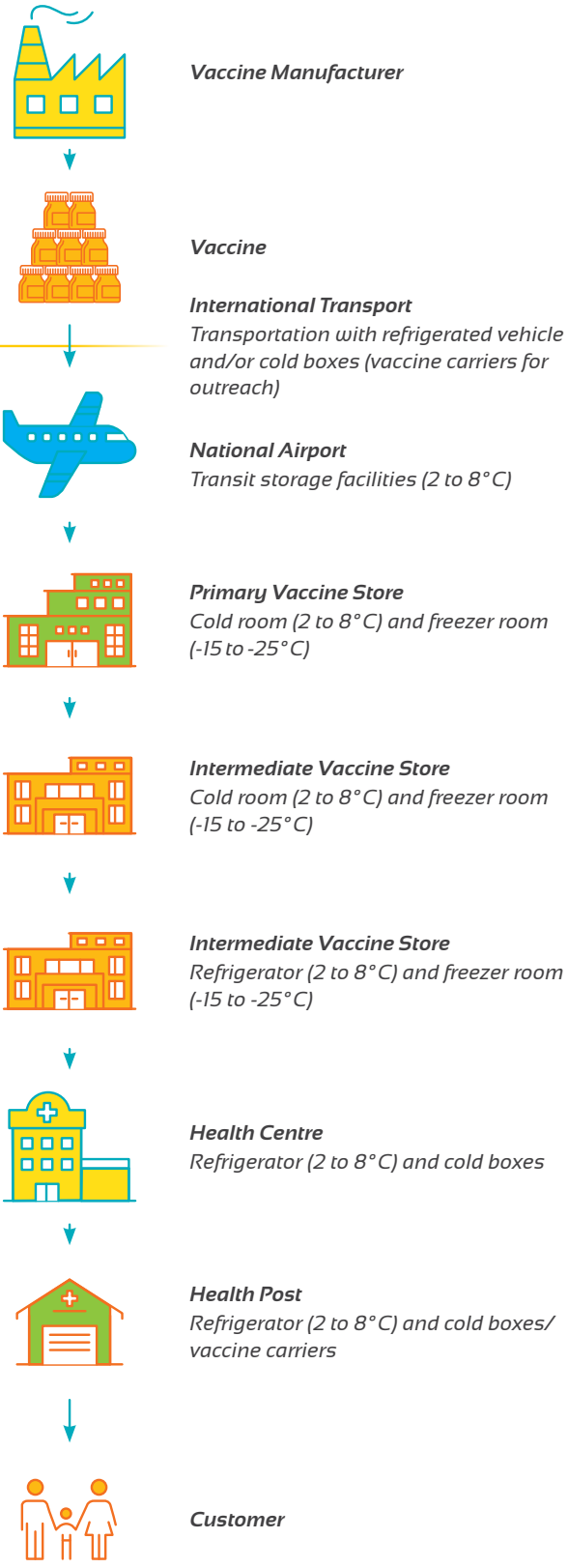
A special system called the Cold Chain System is required for the distribution of vaccines, starting from the manufacturer, distribution, storage at the destination, storage of stock vaccines, up to the delivery of vaccines to the customers.

Vaccine temperature must be maintained within the range of 2 to 8 degrees Celsius, for BCG, DTP, TT, Td, DTP-HB-Hib, Measles, Hepatitis B, and Influenza vaccines. Polio vaccines must be stored at -20 (minus twenty) degrees Celsius.

The Cold Chain System is a procedure to keep vaccines in a stable condition, so that their safety, efficacy, and quality will be maintained and thus the recipients obtain the benefit of protection and prevention from various infectious diseases.

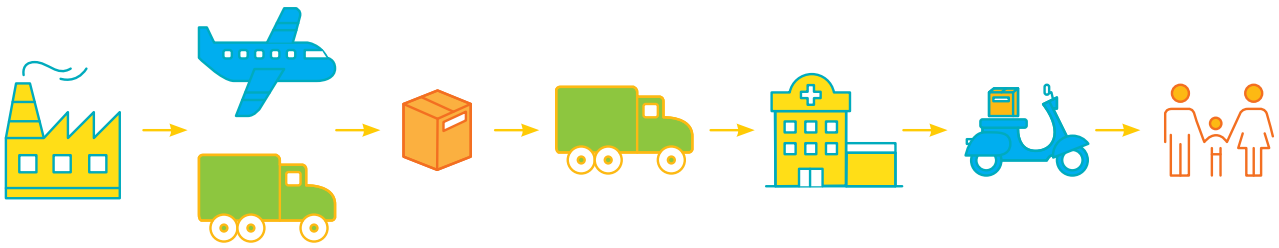
Deadline for delivery of all vaccines must not exceed 48 hours, as stipulated in WHO guidelines, and with due regard to the Cold Chain System for all types of vaccine.





THE JOURNEY OF A VACCINE

DISTRIBUTION OF VACCINES IN THE GOVERNMENTAL SECTOR

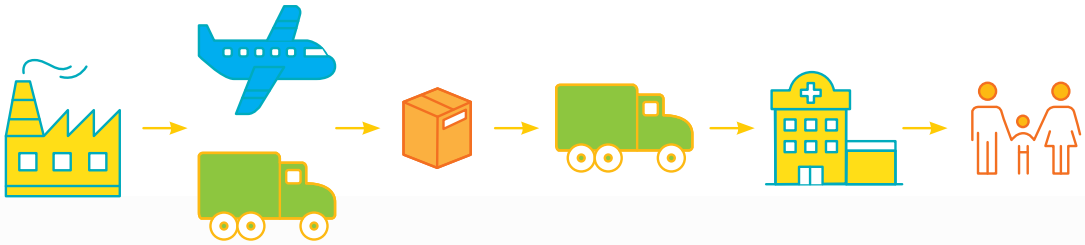


1. From Bio Farma's warehouse, vaccines are transported using refrigeration vehicles to the Provincial Health Office warehouses.

2. From these Provincial Health Office warehouses, the vaccines are subsequently distributed to storage facilities owned by the Municipality and District Health Offices.

3. From the warehouses of the Municipality and District Health Offices, the vaccines will then be distributed to Community Health Centers, where they will then reach the customers.

DISTRIBUTION OF VACCINES IN THE PRIVATE SECTOR



1. From buyers' warehouses, the vaccines are transported using refrigeration vehicles to their final destinations, where they will then reach the customers.

2. From the distributors' warehouses, the vaccines are transported using refrigeration vehicles to their final destination (hospitals, clinics, doctors' practices), where they will then reach the customers.

COMPANY PRODUCTS

Our products consist of vaccines and antisera for human, classified as follows:

COMBINATION VACCINES



Pentabio Vaccine (DTP-HB-Hib)

For Diphtheria, Tetanus, Pertussis, Hepatitis B and Haemophilus influenza type B prevention.



DTP-HB Vaccine

For prevention of Diphtheria, Tetanus, Pertussis (whooping cough) and Hepatitis B.

VIRAL VACCINES



Flubio Vaccine

For seasonal influenza disease prevention.



Bivalent Oral Poliomyelitis Vaccine

For poliomyelitis type 1 and type 3 prevention.



Oral Polio Vaccine

For poliomyelitis type 1, type 2, and type 3 prevention.



Measles Vaccine (Freeze Dried)

For measles prevention



Recombinant Hepatitis B Vaccine

For Hepatitis B prevention.

BACTERIAL VACCINES



TT Vaccine

For tetanus and Neonatal Tetanus (Tetanus in newborns) prevention.



Td Vaccine

For tetanus and diphtheria prevention, for children aged 7 years and over.



BIO-TT Vaccine

A vaccine for the prevention of Tetanus and Tetanus Neonatorum in women of childbearing age.



DTP Vaccine

For diphtheria, tetanus and pertussis prevention.



BCG Vaccine (Freeze Dried)

For tuberculosis prevention.



DT Vaccine

For diphtheria and tetanus prevention.

ANTISERA



Anti-tetanus Serum –

For treatment of tetanus.



Anti-snake Venom Serum –

For curing the poisonous snakes bite which contains neurotoxin effects (Naja sputratix/cobra and Bungarus fasciatus/striped snake) and hemotoxin effect (Ankystrodon rhodostoma/ground snake).



Anti-diphtheria Serum –

For curing diphtheria diseases.



Anti Diphtheria Serum

For the treatment of Diphtheria.

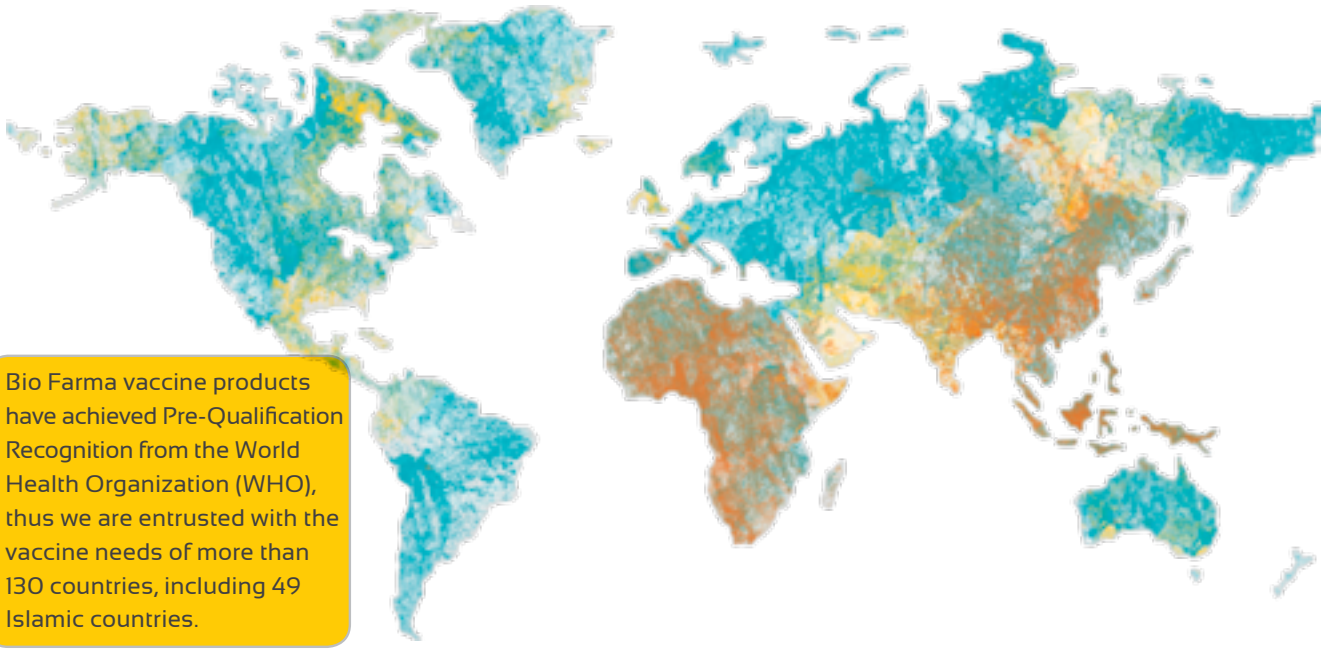
DIAGNOSTICS



PPD RT 23 (Purified Protein Derivative)

For testing an individual's sensitivity against tuberculosis Infection.

FROM INDONESIA TO THE WORLD



Bio Farma vaccine products have achieved Pre-Qualification Recognition from the World Health Organization (WHO), thus we are entrusted with the vaccine needs of more than 130 countries, including 49 Islamic countries.

1. Afganistan
2. Albania
3. Algeria
4. Angola
5. Argentina
6. Australia
7. Azerbaijan
8. Bahama
9. Bangladesh
10. Barbados
11. Beliz
12. Benin
13. Bhutan
14. Bolivia
15. Boznia Herzegovina
16. Brazil
17. Burkina Faso
18. Burundi
19. Cambodia
20. Cameroon
21. Cape Verde
22. Central Africa
23. China
24. Colombia
25. Comoros
26. Congo
27. Cuba
28. Curacao
29. Djibouti
30. East Timor
31. Ecuador
32. Egypt
33. El Savador
34. Equatorial Guinea
35. Eritrea
36. Ethiophia
37. Fiji
38. France
39. Gabon
40. Gambia
41. Georgia
42. Germany
43. Ghana
44. Guam
45. Guatemala
46. Guinea
47. Guinea Bissau
48. Haiti
49. Honduras
50. Hongkong
51. India
52. Iraq
53. Iran
54. Israel
55. Ivory Coast
56. Jamaica
57. Jordan
58. Kenya
59. Kosovo
60. Kuwait
61. Kyrgiztan
62. Laos
63. Lebanon
64. Lesotho
65. Liberia
66. Libya
67. Macau
68. Madagascar
69. Malawi
70. Malaysia
71. Maldives
72. Mali
73. Mauritania
74. Mauritus
75. Mexico
76. Micronesia
77. Mongolia
78. Monserrat
79. Morocco
80. Mozambique
81. Myanmar
82. Namibia
83. Nepal
84. Netherland
85. New Zealand
86. Nicaragua
87. Niger
88. Nigeria
89. North Korea
90. Pakistan
91. Panama
92. Papua New Guinea
93. Paraguay
94. Peru
95. Philippines
96. Rep. Dominica
97. Rwanda
98. Sao Tome
99. Saudi Arabia
100. Senegal
101. Sierra Leone
102. Singapore
103. Solomonl Island
104. Somalia
105. South Africa
106. South Korea
107. South Sudan
108. Srilanka
109. St. Lucia
110. Sudan
111. Suriname
112. Swaziland
113. Syria
114. T Chad
115. Tajikistan
116. Tanzania
117. Thailand
118. The British Virgin Island
119. The Netherlands
120. Togo
121. Trinidad
122. Tunisia
123. Turkey
124. Turkmenistan
125. Uganda
126. Uruguay
127. Uzbekistan
128. Vietnam
129. Yemen
130. Zambia
131. Zimbabwe
132. Antigua

* 49 Muslim Nations

BIO FARMA'S BUSINESS RESULTS IN THE PAST 5 YEARS

SALES/REVENUE, INCOME/(LOSS), & TOTAL COMPREHENSIVE INCOME/(LOSS)

Bio Farma per December 31, 2015 is one of the state Non-Listed Non-Financial a wholly owned (100%) by the Government of the Republic of Indonesia, with Bio Farma thereby does not present information about the:

- Profit and Loss
  a. Attributable to owners of the parent.
  b. Attributable to interests of non-controlling.
- Total net income (loss) and other comprehensive income:
  a. Attributable to owners of the parent.
  b. Attributable to non-controlling interests.

Numerical notations in all tables and graphs in this Annual Report are in English.

[In million Rp]

	2011	2012	2013	2014	RKAP 2015	2015	INCREASE/DECREASE [%]		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Net Sales									
Company's Products	1,324,046	1,432,966	1,848,452	2,028,988	2,284,372	2,329,623	14.82	1.98	300,635
Merchandise Products	1,784	1,206	1,848	10,287	4,554	11,436	11.17	151.12	1,149
Services	2,899	3,470	3,382	4,805	10,230	4,859	1.10	(52.51)	53
Total Net Sales	**1,328,729**	**1,437,642**	**1,853,682**	2,044,080	2,299,157	2,345,918	**14.77**	**2.03**	**301,838**
Cost of Goods Sold									
Company's Products	(535,017)	(580,216)	(718,463)	(767,609)	(840,854)	(852,361)	11.04	1.37	(84,752)
Merchandise Products	(848)	(518)	(1,148)	(8,827)	(4,326)	(11,165)	26.48	158.07	(2,338)
Services Expenses	(3,133)	(3,183)	(3,986)	(3,654)	(7,665)	(3,962)	8.43	(48.31)	(308)
Total Cost of Goods and Services Sold	**(538,998)**	**(583,917)**	**(723,596)**	(780,090)	(852,846)	(867,488)	**11.20**	**1.72**	**(87,398)**
Gross Profit	**789,731**	**853,724**	**1,130,085**	1,263,991	1,446,311	1,478,430	**16.97**	**2.22**	**214,440**
Other Income	62,660	53,159	152,838	118,630	24,971	129,064	8.80	416.85	10,434
General and Administrative Expenses	(206,088)	(227,583)	(286,712)	(349,010)	(366,362)	(421,759)	20.84	15.12	(72,749)
Selling Expenses	(128,095)	(58,592)	(90,431)	(99,182)	138,893	(126,818)	27.86	(8.69)	(27,636)
Research Developments and Survey Expenses	(68,793)	(78,262)	(68,318)	(88,779)	(110,304)	(93,442)	5.25	(15.29)	(4,663)
Other Expenses	(41,643)	(21,346)	(58,873)	(69,748)	(4,254)	(66,201)	(5.09)	1.456.40	3,547
Total	**(381,959)**	**(332,624)**	**(351,496)**	(488,089)	(594,841)	(579,157)	**18.66**	**(2.64)**	**(91,068)**
Income (Loss) Before Income Tax	**407,772**	**521,100**	**778,589**	775,902	851,470	899,274	**15.90**	**5.61**	**123,372**
Income Tax Benefits (Expenses)									
Current Tax	(105,826)	(137,261)	(207,288)	(197,136)	(231,542)	(232,893)	18.14	0.58	(35,757)
Deferred Tax	473	2,053	1,166	3,427	1,705	4,213	22.93	147.12	786
Total Tax Expenses	**(105,353)**	**(135,208)**	**(206,121)**	(193,709)	(229,837)	(228,681)	**18.05**	**(0.50)**	**(34,972)**
Net Income (Loss)	302,419	385,892	572,468	582,193	621,633	670,593	15.18	7.88	88,400

[In million Rp]

DESCRIPTION	2011	2012	2013	2014	RKAP 2015	2015	INCREASE/DECREASE [%]		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Other Comprehensive Income									
Items can not be reclassified Income (Loss)									
Surplus Revaluation Fixed Assets-Net	-	-	-	-	-	1,980,782	-	-	-
Measurement of Liabilities Provision Post-Employee	-	-	-	(21,701)	-	(828)	(96.18)	-	20,873
Items that will reclassified Income (Loss)									
Profit (Loss) Unrealized Ownership Securities for Sale	-	-	-	377	-	-	-	-	(377)
Other Comprehensive Income After Tax	-	-	-	(21,324)	-	1,979,954	(9.385.40)	-	2,001,276
Comprehensive Income (Loss)	302,419	385,892	572,468	560,870	621,633	2,650,546	372.58	326.38	2,089,676

RKAP: *Company's Budget Plan.*

EARNINGS/(LOSS) PER SHARE

As on 31 December 2015, Bio Farma remains non-listed as a State-Owned Enterprise, i.e. it had no shares listed on the Indonesia Stock Exchange, and therefore the earnings/(loss) per share information is not available.



BIO FARMA'S FINANCIAL POSITIONS IN THE PAST 5 YEARS

TOTAL INVESTMENTS ON ENTITIES

Investment Realization According to Usage

Investment Realization According to Usage

[In million rupiah]

	2011	2012	2013	2014	2015	TOTAL	INCREASE/ DECREASE [%]
INVESTMENT GROUP	1	2	3	4	5		5/4
Routine							
Assessment WHO & GMP	136,242	39,428	50,654	30,873	74,314	331,511	140.71
Replacement	18,464	18,592	44,814	29,889	23,734	135,493	(20.59)
IPAL/OHS/Environment/ *Quality Control*	6,984	2,695	1,632	10,133	14,822	36,265	46.28
Development							
Capacity Building	20,648	25,423	114,224	69,109	399,038	628,442	477.40
Research & Development	39,945	9,106	24,690	12,984	9,971	96,696	(152.61)
New Products	50,605	80,878	12,262	21,636	23,093	188,474	6.74

Investment by Group

Investment by Group

[In million rupiah]

	2011	2012	2013	2014	RKAP 2015	2015	INCREASE/DECREASE [%]	
INVESTMENT GROUP	1	2	3	4	5	6	6/4	6/5
Office Equipment	6,231	7,109	11,504	32,554	27,117	13,84	(57.48)	(48.95)
Factory Equipment	53,90	29,208	82,722	49,448	127,959	243,363	392.16	90.19
Other Equipment	81,330	108,384	31,959	32,018	49,375	53,807	68.05	8.98
Building	128,314	30,902	114,850	39,849	434,355	228,358	473.06	(47.43)
Vehicles	745	-	-	750	84	384	(48.85)	354.70
Intangible Assets	2,366	517,79	7,242	20,004	12,009	5,219	(73.91)	(56.54)
Land Investment	-	-	-	-	12,000	-	-	-
Total	**272,887**	**176,122**	**248,276**	**174,623**	**662,901**	**544,974**	**212.09**	**(17.79)**

Cash Flow

Statements of Cash Flows

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	RKAP 2015	2015	INCREASE/ DECREASE [%]		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Cash Flows from Operation Activities									
Receipts of Cash from Customer	1,339,426	1,375,334	1,800,735	2,108,672	2,260,866	2,106,478	(0.10)	(6.83)	(2.194)
Receipts (Tax Payment)	-	-	-	(314,959)	(333,408)	(297,534)	(5.53)	(10.76)	17.425
Receipts of Interest	4,269	3,138	12,822	35,395	24,100	37,422	5.73	55.28	2.028
Receipts of Grants/ Donation WHO	3,103	1,767	1,278	4,989	-	800	(83.96)	-	(4.189)
Receipts (Payment) other - Net	3,064	2,405	(19,156)	11,673	871	(23,774)	(303.67)	(2.828.47)	(35.447)
Receipts of Insurance Claim	9,89	-	-	107	-	-	(100.00)	-	(107)
Interest Payment	(2,779)	-	-		-	-	-	-	-
Interest Tantiem	4,796	5,867	(6,980)	(9,727)	(17,521)	(13,737)	41.23	(21.60)	(4.010)
Interest Tax	(95,037)	(139,777)	(151,969)	-	-	-	-	-	-
Payment to supplier and Employees	(907,844)	(858,357)	(1,003,850)	(1,330,310)	(1,282,520)	(1,584,191)	19.08	23.52	(253.880)
Net Cash Provided by (Used in) Operating Activities	**339,416**	**378,642**	**632,880**	505,839	**652,388**	225,465	**(55.43)**	**(65.44)**	**(280.374)**
Cash Flows from Investing Activities									
Purchase of Fixed Asset	(269,330)	(208,859)	(192,644)	(163,149)	(1,014,720)	(535,175)	228.03	(47.26)	(372.026)
Deposito Guarantee	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	1,250	1,816	(6,671)	(20,578)	(9,007)	(3,962)	(80.75)	(56.01)	16.616
Other Assets Sales	274	20	138	(25,000)	25,167	25,000	(200)	(0.66)	50.000
Net Cash Provided by (Used in) Investing Activities	**(270,306)**	**(210,656)**	**(199,177)**	(208,727)	**(998,560)**	(514,137)	**146.32**	**(48.51)**	**(305.410)**
Cash Flows Provided by Financing Activities									
Receipts Short-Term Loans	-	-	-	-	-	-	-	-	-
Payment of Short-Term Loans	-	-	-	-	-	-	-	-	-
Payment of Dividen	(24,567)	(45,363)	(105,178)	-		(145,015)	-	-	-
Payment of Partnership Program and Community Development	(9,827)	(12,097)	(8,760)	-	-	(4,712)	-	-	-
Capital Donation from WHO	-	-	-	-	-	-	-	-	-
Receipts Long_term Loans	-	-	-	-	-	-	-	-	-

[In million rupiah]

	2011	2012	2013	2014	RKAP 2015	2015	INCREASE/ DECREASE [%]		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Payment of Long-Term Loans	(101,000)	-	-	-	-	-	-	-	-
Net Cash Provided by (used in) Financing Activities	**(135,394)**	**(57,460)**	**(113,938)**	**(228,987)**	**(110,536)**	**(149,727)**	**(34.61)**	**35.46**	**79.261**
Increase (Decrease) Net Cash	**(66,285)**	**110,527**	**319,765**	**68,125**	**(456,707)**	**(438,398)**	**(743.52)**	**(4.01)**	**(506.523)**
Effect of Foreign Exchange Different Cash and Cash Equivalent	(5,972)	16,100	72,988	12,341	-	22,621	83.29	-	10,279
Cash and Cash Equivalent at beginning of Year	444,127	371,870	498,498	891,251	885,951	971,717	9.03	9.68	80,466
Cash and Cash Equivalent at End of Year	**371,870**	**498,498**	**891,251**	**971,717**	**429,244**	**555,940**	**(42.79)**	**29.52**	**(415,778)**

ASSETS

[In million rupiah]

	2011	2012	2013	2014	RKAP 2015	2015	INCREASE/ DECREASE [%]		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Total Current Assets	814,712	1,033,864	1,542,901	1,824,639	1,725,493	1,995,781	9.38	15.66	171,142
Total Non Current Assets	918,791	1,011,824	1,160,169	1,219,969	1,901,061	3,684,882	202.05	93.83	2,464,913
Total Assets	**1,733,503**	**2,045,688**	**2,703,070**	**3,044,608**	**3,626,554**	**5,680,663**	**86.58**	**56.64**	**2,636,056**

LIABILITY

[In million rupiah]

	2011	2012	2013	2014	RKAP 2015	2015	INCREASE/ DECREASE [%]		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Short Term Liabilities	220,879	197,714	389,637	339,668	401,217	456,663	34.44	13.82	116,995
Total Long Term Liabilities	34,525	41,441	48,371	161,250	68,241	179,868	11.55	163.58	18,618
Total Liabilities	**255,404**	**239,155**	**438,008**	**500,919**	**469,457**	**636,532**	**27.07**	**35.59**	**135,613**

EQUITY

[In million rupiah]

	2011	2012	2013	2014	RKAP 2015	2015	Increase/Decrease [%]		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Share Capital	450,000	750,000	750,000	1,250,000	1,250,000	1,650,000	32.00	32.00	400,000
Retained Earnings (Loss)									
- Appropriated	701,913	670,641	941,920	786,075	1,285,464	816,422	3.86	(36.49)	30,347
- Un-appropriated	326,187	385,892	573,143	577,590	621,633	668,109	15.67	7.8	90,519
Other Component Equity	-	-	(48,653)	(69,976)	-	1,909,600	(2.828.93)	-	1,979,576
Total Equity	**1,478,100**	**1,806,533**	**2,211,806**	**2,543,689**	**3,157,097**	**5,044,132**	**98.30**	**59.77**	**2,500,443**
Total Liabilities & Equity	**1,733,504**	**2,045,688**	**2,649,814**	**3,044,608**	**3,626,554**	**5,680,663**	**86.58**	**56.64**	**2,636,056**

FINANCIAL RATIOS

[In million rupiah]

	2011	2012	2013	2014	RKAP 2015	2015	INCREASE/DECREASE [%]	
DESCRIPTION	1	2	3	4	5	6	6/4	6/5
Liquidity								
Cash Ratio	168	252	228.74	286.08	106.99	121.74	(57.45)	13.79
Current Ratio	369	523	395.98	537.18	430.06	437.04	(18.64)	1.62
Profitability								
Gross Profit Margin	59.44	59.38	60.96	61.84	62.91	63.02	1.91	0.18
Operating Margin	29.11	34.03	36.93	35,57	36.13	35.65	0.22	(1.34)
Net Profit Margin	22.76	26.84	30.88	28.48	27.04	28.59	0.39	5.74
Return on Equity (ROE)	34.70	29.36	37.81	31.93	31.53	17.14	(46.32)	(45.64)
Return on Investment (ROI)	33.53	31.22	34.81	31.15	32.60	20.27	(34.93)	(37.83)
Return On Assets (ROA)	18.47	20.42	24.11	20.26	18.88	15.37	(24.14)	(18.59)
Solvability [%]								
Debt to Equity	17.65	13.24	19.34	19.69	14.87	12.62	(35.91)	(15.13)
Turnover [times]								
Inventory Turnover	3.15	3.59	3.95	2.94	3.06	2.20	(25.22)	(28.16)
Receivable Turnover	8.93	7.8	7.29	7.54	9.61	6.17	(18.13)	(35.79)
Growth								
Sales	109.79	108.20	128.94	110.27	116.66	114.77	4.08	(1.62)
Operating Income	111.77	126.51	139.92	106.19	119.30	115.05	8.34	(3.57)
Net Income before Tax	120.49	127.79	149.41	99.65	114.25	115.90	16.30	1.45

Current Ratio

↓ 18.64%

Gross Profit Margin

↑ 1.91%

Net Profit Margin

↑ 0.39%

Debt to Equity

↓ 35.91%

Inventory Turnover

↓ 25.17%

Return On Assets (ROA)

↓ 24.14%

Return on Equity (ROE)

↓ 46.32%

Return on Investment (ROI)

↓ 34.93%

SHARE PERFORMANCE AND SHARELISTING CHRONOLOGY

SHARE OWNERSHIP COMPOSITION

As on December 31, 2015, Bio Farma is not a publicly listed company so the public, the Board of Directors, or the Board of Commissioners of Bio Farma do not have the shares of Bio Farma. The Company is entirely or 100% owned by the Government of the Republic of Indonesia.

SHARE PERFORMANCE

As on December 31, 2015, Bio Farma is not a publicly listed state-owned enterprise, which means it has not listed its shares on the Indonesia Stock Exchange. Therefore, there was no pertinent information regarding total number of shares outstanding, market capitalization, highest, lowest, and closing prices of the traded shares, or the transaction volume of shares.

SHARELISTING CHRONOLOGY

As on December 31, 2015, Bio Farma is not a publicly listed state-owned enterprise, which means it has not listed its shares on the Indonesia Stock Exchange. Therefore, there was no pertinent information regarding sharelisting chronology, corporate actions, changes in the number of shares, or the exchange on which the Company's shares are listed.

SUMMARY OF BONDS/SUKUK/ CONVERTIBLE BONDS AND THE LISTING CHRONOLOGY OF OTHER SECURITIES

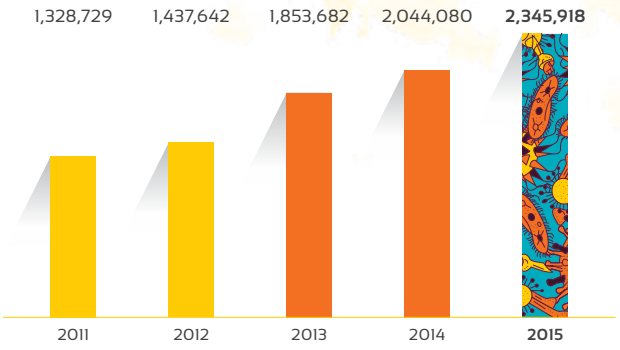
SUMMARY OF BONDS/SUKUK/CONVERTIBLE BONDS

Bio Farma has never issued any bonds/sukuk/ convertible bonds, and therefore it has no pertinent information regarding the amount of bonds/sukuk/ convertible bonds outstanding, interest rate, maturity date of such securities, or the rating of such securities.

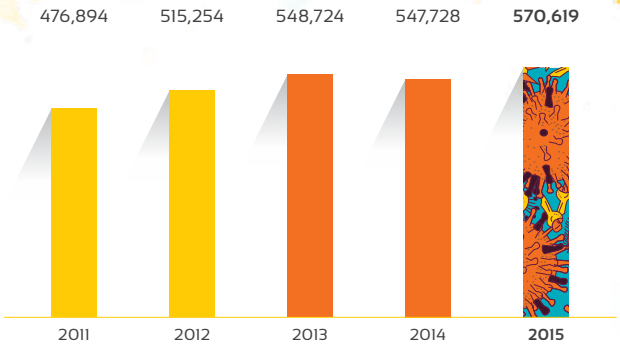
LISTING CHRONOLOGY OF OTHER SECURITIES

Bio Farma has not issued securities in any form, and therefore it has no pertinent information regarding the listing chronology of securities, corporate actions, changes in the number of securities, the exchange on which the securities are listed, or the rating of such securities.

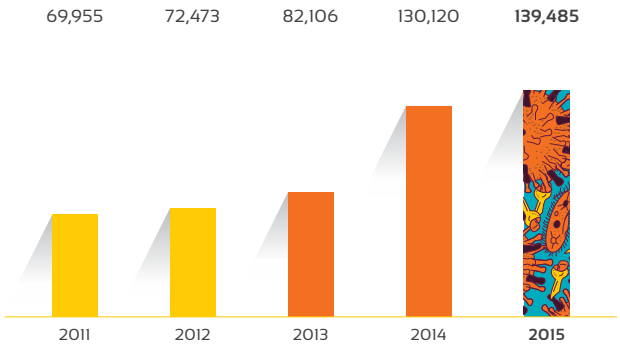
***Net Sales** [In million rupiah]*



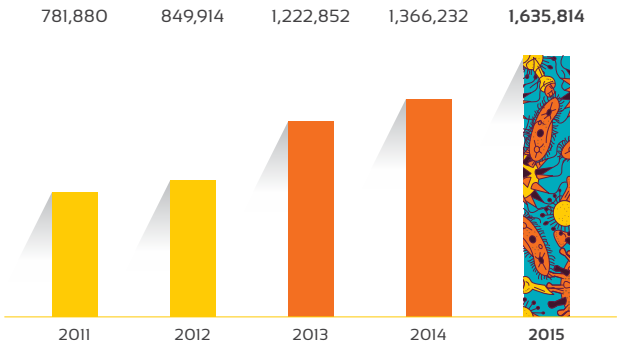
***Sales - Government** [In million rupiah]*



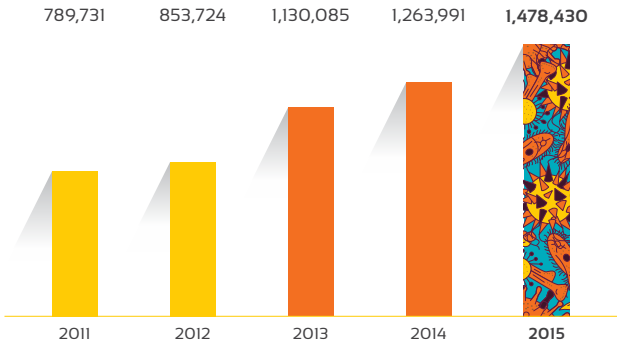
Private Sector [In million rupiah]



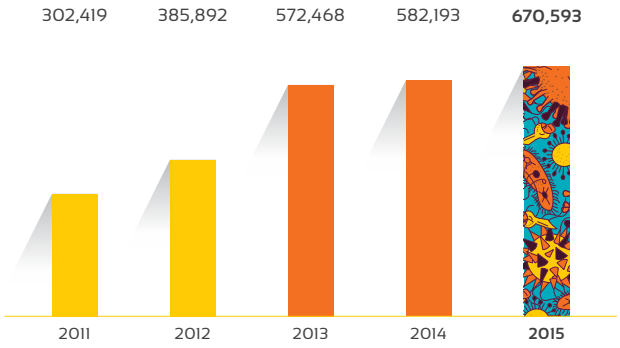
Export Sector [In million rupiah]



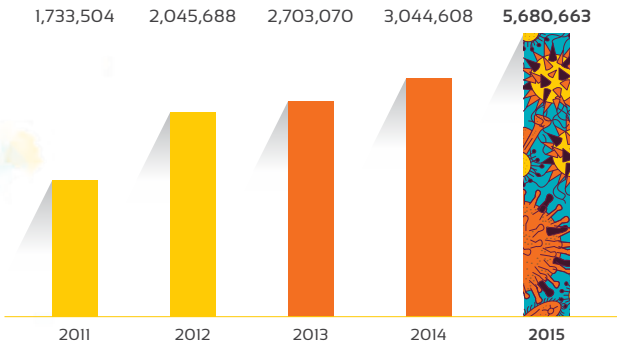
Gross Profit [In million rupiah]



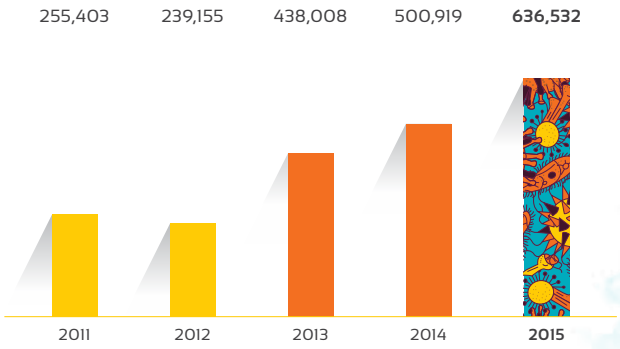
Net Income [In million rupiah]



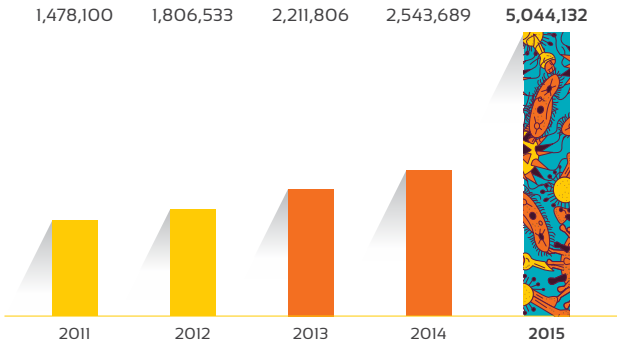
Asset [In million rupiah]



Liabilities [In million rupiah]



Equity [In million rupiah]



BOARD OF COMMISSIONERS' REPORT

"During 2015, which has just passed, Bio Farma made many financial performance achievements, adding to its market share and working with strategic partners in research and innovation. These achievements have motivated Bio Farma's employees to play a more active role in increasing Bio Farma's visibility both in Indonesia as well as globally. A key priority in realizing Bio Farma's vision is the selection of Human Resources that fit the company's core business. Meanwhile, the Board of Commissioners has recommended that the Board of Directors optimize the role and function of the Risk Management Unit, to ensure that identifiable and measurable risk culture is implemented and that it is a part of every decision made, from each corporate action and operational activity, so that strategic decisions and solutions can be initiated that make Bio Farma a world class life science company that can compete globally," Ahmad M. Ramli – President Commissioner".



Respected Shareholders,

On behalf of the Bio Farma Board of Commissioners, I would like to present the Bio Farma Annual Report for 2015 to our shareholders, reporting on the Company's development and management ended on December 31, 2015. We give thanks and pray with infinite gratitude to Allah SWT for the company's achievements up to the end of 2015, which have demonstrated remarkable improvements. Growth in large and medium-scale manufacturing in 2015 rose 4.57% compared to 2014. This increase was dominated by the Pharmaceutical Industry's Chemical and Traditional Drug Producers, amounting to 12.53%. This was beyond the expectations and forecasts of the pharmaceutical industry's observers, who had forecast an increase of 11.8% for 2015. Growth in the Indonesian pharmaceutical industry was higher than Indonesia's Gross Domestic Product in 2015 , which only reached 5.20%, as well as being above inflation, which amounted to 6.38%. This growth surge for the national pharmaceutical for the national pharmaceutical industry of exceeding economic instruments indicates, that the pharmaceutical industry is still one that is in high public demand, in particular with regard to vaccines for various infectious diseases.

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

The increase in financial instruments used by Bio Farma in 2015, above average in the pharmaceutical industry, is a proud achievement as it means that Bio Farma can follow the rhythms of the Indonesian pharmaceutical industry and the demand for sales of vaccines to prevent the transmission of infectious diseases and will not be affected by rising prices for pharmaceutical raw materials.

The Board of Commissioners expresses its utmost appreciation to the Board of Directors, who have successfully run the company and recorded sales in 2015 amounting to Rp2.34 Trillion. Compared to 2014, which recorded sales of Rp2.04 Trillion, in 2015 sales increased 14.77%. This increase in sales exceeded the 2015 RKAP (Work Plan and Budget) figure set in early 2015 by 2.03%, or Rp 2.29 Trillion. The successful increase in sales in 2015 was derived from increased export sales of 19.3%, or Rp1.63 Trillion, when compared with the export sector sales in 2014, amounting to Rp1.37 Trillion. The export sector are still the largest contributor to Bio Farma's sales with 70% of total sales in 2015.

The Board of Commissioners has advised the Board of Commissioners to maintain sales performance in 2015 and to prioritize the domestic market, in particular the domestic private market, which has very promising potential.

History will note that one of Bio Farma's most recent products, Pentabio 5 dose (DTP – Hepatitis B – Hib), has been entrusted by Egypt to support its mandatory child immunization program for children aged 2-8 months. This trust was earned through a long process that required a series of audits / assessments by WHO, as well as from the Egyptian government. The cooperation of every part of Bio Farma ultimately bore fruit with the first export of the Pentabio vaccine in semester 2/2015.

The Board of Commissioners has advised that Bio Farma expand its networking with international institutions which hold the same vision as Bio Farma, joining international organizations to keep up to date with the latest developments in the life science industry, which will allow Bio Farma to apply the right strategies to face future competition.

Future Prospects

In the coming years, the trend of the vaccine industry will not only produce the vaccine, but will have a view toward life science, which is a product derived from biological materials, whose the patent has already, such as diagnostic diabetes, stem cells, which will play a role in therapeutic treatments.

To support the company's vision, then in 2015 the company started to prepare a new area, the Life Science Park in Jasinga, Bogor, West Java. Currently, activities under the Corporate Social Responsibility (CSR) program in that vicinity have taken place to serve as a social security net, such as access to medicine and processed clean water, so that the public and local communities and government accept the existence of PT Bio Farma (Persero) in their locality.

The Board of Commissioners realizes that Bio Farma's entrance into the life science industry will be a challenge in itself for the company, however; the Board of Commissioners believes that the Board of Directors and the company's employees can bring into fruition this vision and mission to become a world-class life science companies, globally competitive. Of course, this will have an impact on every aspect of the Bio Farma in particular the company's culture. The Pro-Active Culture (Professional, Integrity, Team work, Innovation and Customer Oriented), must be the focus for Bio Farma in every operational activities and product innovation, so that this vision can be achieved.

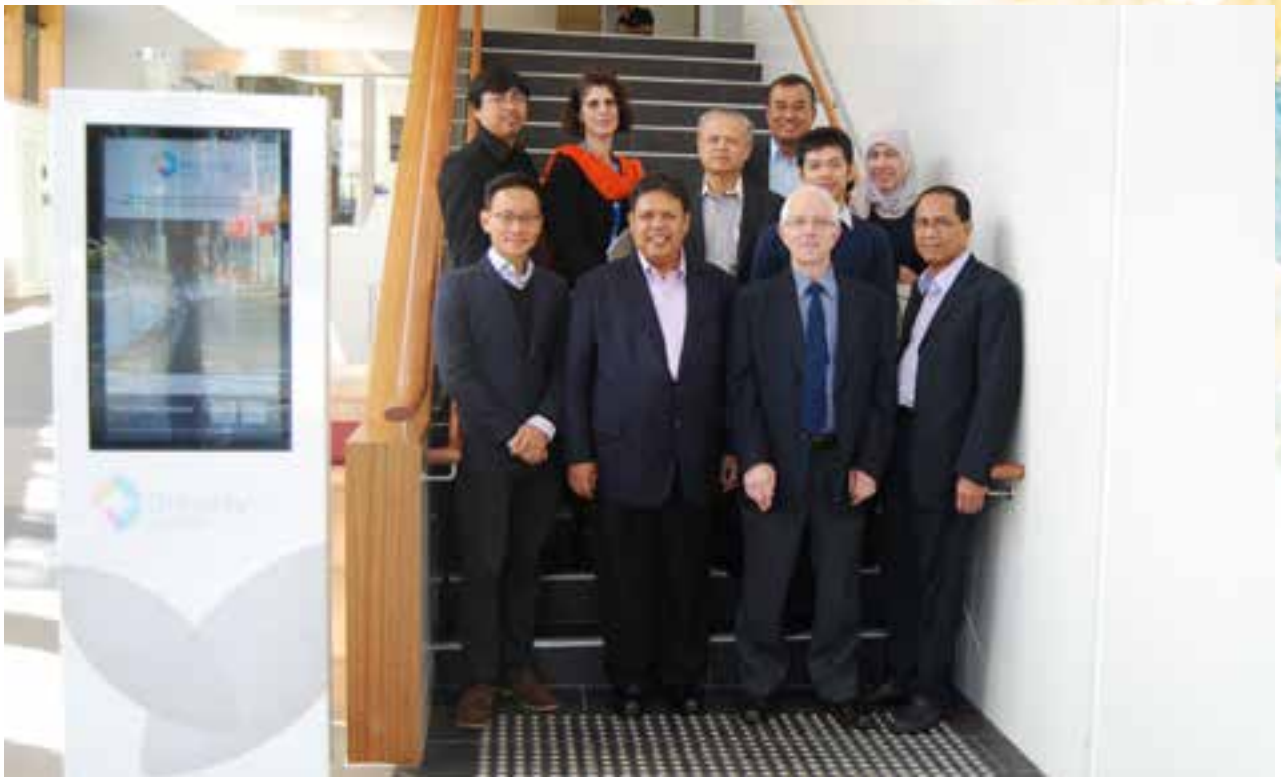
The Board of Commissioners expects that all Bio Farma's employees are aware of the company's future direction so that they can be a part of Bio Farma's progress to become a life science company in the coming years.

CORPORATE GOVERNANCE

Good Corporate Governance (GCG) serves to maintain the continuity of the company's the company's long term operational sustainability by prioritizing the interests of shareholders and stakeholders, thus creating an accurate assessment and risk analysis mechanism that results in good business and operational decision making.

We are grateful to our Board of Directors and our employees for the corporate governance score that Bio Farma achieved, as assessed by an independent institution, has shown satisfactory improvement. In 2013 – 2014, Bio Farma was categorized as good with a score of 83.42, while in 2014 – 2015, the score had risen to 86.83 and was categorized as very good. This significant improvement occurred in the aspects related to information disclosure and transparency, Board of Commissioners / Oversight Board, Shareholders and GMS, and Commitment to the Sustainable Application of Corporate Governance. We must maintain this commitment for the long term sustainability of operations by prioritizing shareholders and stakeholders, thus establishing the right evaluation and risk assessment mechanism, which will result in the right business and operational decision making.

The Board of Commissioners hopes that all decisions taken by the decision makers consistently and sustainably uphold and implement GCG and its development and are actively supported by the strong commitment of all the company's people. The Board of Commissioners hopes that GCG application is not only a mandatory requirement, but is part of the company's culture for Bio Farma's business continuity into the future, which will ultimately provide added value to our company.



Strategic partner selection in the field of research is the main priority in the acceleration of product innovation.

COMMITTEE PERFORMANCE ASSESSMENT

For the purpose of supporting and assisting the Board of Commissioners with its advisory function, providing advice, control and monitoring, as well as giving its approval, the Board of Commissioners, in accordance with its authority and responsibility, is assisted by the Audit Committee, as well as the Risk, Development and CGC Committee.

During 2015, these committees carried out their duties and advised the Board of Commissioners on the Board of Directors' reports, in particular the financial statements, management reports, activities of the Partnership and Community Development Program report. Examination Report of SPI, reviewed the independence and objectivity of the external audits, analyzed the effectiveness of internal control, and reviewed Company compliance to applicable laws and regulations. As well as examining the company's compliance with applicable legislation. In carrying out their duties, the Audit and Remuneration Committee held intensive meetings with the relevant Directors, internal audit unit and the Compliance and Risk Management (CRM) Division, so that the committees' recommendations can assist the Board of Commissioners in carrying out its oversight function on the policies and management of the company and provide an overall view and input on the Board of Director's performance to the GMS.

The Risk, Development and GCG Committee has carried out its duties in accordance with the work plan, including introducing and monitoring potential business risks and suggesting improvements through reviews of the enterprise risk management (ERM) implementation in the company. For the input from these committees, the Board of Commissioners can assess the effectiveness of control measures in all work and business units, corresponding with the suitability of the policies and implementation of the company's overall risk management.

Board of Commissioners' Member



LEFT → RIGHT:

• H. Muhammad Subuh – *Commissioner* • Ihsan Setiadi Latief – *Commissioner*
• Ahmad M. Ramli – *President Commissioner* • Nizar Yamanie – *Commissioner*
• Heridadi – *Commissioner* • Paruli Lubis – *Commissioner*

CHANGE TO THE COMPOSITION OF THE BOARD OF COMMISSIONERS

In June 2015, based on SOE Minister Decision as the General Meeting of the Company's Shareholders of Perseroan (Persero) PT Bio Farma No. SK-97/MBU/06/2015 dated June 22, 2015 2015 on the Dismissal and Appointment of Commissioners and the Inauguration of Independent Commissioners to Perseroan (Persero) PT Bio Farma, the SOE Minister dismissed with respect Let. Gen (Ret.) Herman Ladjidja Djuni as a Commissioner and appointed Dr. H. Mohamad Subuh as a Commissioner, while inaugurating Paruli Lubis and Heridadi as Independent Commissioners.

On behalf of the Board of Commissioners, I would like to express our deep appreciation to Let. Gen (Ret.) Herman L. Djuni for his innovative contribution and thoughts while serving on the Bio Farma Board of Commissioners, and welcome Dr. Mohamad Subuh to the Bio Farma Board of Commissioners and hope that he will provide his own influence to Bio Farma in the coming years.



Work visit from Republic of Indonesia Minister of Health, Nila Djuwita F. Moeloek, to Bio Farma Office.

APPRECIATION

Finally, the Board of Commissioners would like to thank the shareholders and stakeholders for their support and trust and express our sincere gratitude to the Board of Directors, management and all Bio Farma's employees for their sincere and dedicated hard work.

The Board of Commissioners advises that to achieve the objective of becoming a World Class Company, all of Bio Farma's employees must hold the same understanding / perception of Bio Farma's business goals moving forward, therefore information dissemination and communication between work units is vital. It is necessary to keep in mind that every corporate action must be based on our core business so that our ability to create life science products becomes a priority.

May God Almighty always guide and protect us all, so that Bio Farma's 2015 work plan runs smoothly and successfully, maintaining our cohesiveness and the safe implementation of the 2016 Work Plan.

On behalf of the Board of Commissioners,



Ahmad M. Ramli – *President Commissioner*

BOARD OF DIRECTORS' REPORT

"Facing the challenges of 2015, Bio Farma focused on implementing innovations and strategies toward becoming a Life Science Company," Iskandar – President Director".



Respected Stakeholders and Shareholders,

We pray and give thanks to Allah, God Almighty, because with His permission Bio Farma has successfully navigated 2015 and achieved satisfactory progress in all aspects of the business. Further, please allow us to present the Bio Farma's Annual Report ended December 31, 2015.

COMPANY PERFORMANCE ANALYSIS

Vaccine and Pharmaceutical Industry Map

Since 2011, more than 70% of the global demand for vaccines has been fulfilled by 3 countries, China, India and Indonesia. Bio Farma, Indonesia's only vaccine producer, has of course contributed to this, according to the SESRIC-2015 data, Indonesia's Vaccine Producer had a stellar performance, even though this is a complex industry and has a long, high risk return on investment for product research and development. Rising demand for vaccines is not in line with growth in vaccine production since 1990, there were 63 vaccine producers, a figure that had had fallen to 44 in 2010. Developing countries are the main producers of vaccines compared to other countries.

2015 was a year full of challenges and hope for the pharmaceutical industry, in line with market trends and increasing pharmaceutical consumption in Indonesia in 2006-2014 . Global potential in the pharmaceutical market is indicated by the level of investment and business growth (CAGR-Compound Annual Growth Rate) in the pharmaceutical industry in developing countries such as China, India, Brazil, Mexico and including Indonesia, which reached 14-17%, this is the highest growth compared to Japan at 2-5%, America at 3-6% and European countries at 1-4%.

Strategic Policy

Bio Farma is becoming steadily more prepared to enter the life science industry as a world class global competitor providing and developing international standard life science products to improve the quality of life. In accordance with the company's declared vision, mission and philosophy, which are in line with global developments in pharmaceuticals and biotechnology. In the few years, chemistry-based medical innovations are being replaced by life science. Future Prospects, Bio Farma will not only produce Vaccines and Antisera, but will also start to contribute to prevention and treatment, with the majority of products based on natural ingredients, such as Biotechnology, MAP & Diagnostic, Biosimilar, Blood products and Stem Cells.

We have made various plans and developments for our move toward Life Science, including building the Life Science Park (LSP) in Jasinga, Bogor. We have a long term vision of LSP Jasinga as the largest center in Southeast Asia for life science products and the testing of new drugs and vaccines, as well as Bio Diversity conservation.

Strategy and Initiative

Biotechnology industry products are moving toward products that are said to be "low volume high value", where one indicator is the number and types of patents generated. In this context, a review of the aspect of product coverage revealed that Bio Farma has a global market share of 0.5-0.6%. Based on Global Mapping published by one of the multinational vaccine producers, Bio Farma's international coverage is ranked as medium global reach; however, based on product portfolio, Bio Farma is considered in the global environment because of its full range of products.

Meanwhile, multinational businesses view the Indonesian market and ASEAN region as having great potential. This is a real threat that Bio Farma must be ready to face. Bio Farma must improve its marketing strategy, especially to gain a greater market share in the non-government, or private, domestic sector. Within ASEAN, Bio Farma has taken strategic steps to realize a center of excellence for the vaccine industry by synergizing with ASEAN countries that are taking steps into the pharmaceutical industry and cooperating with vaccine technology transfer.

Another opportunity that the company is pursuing is entry into Islamic countries. Bio Farma has observed the potential for development into Islamic countries in Asia, Africa and eastern Europe, which have populations that are expected to grow significantly in the coming years. In addition, there are potential markets in the United Arab Emirates countries. Bio Farma remains confident because, as a vaccine producer in a community of Islamic nations, Bio Farma's position is stronger than other Moslem countries. An approach to Islamic countries has been initiated through the Organization of Islamic Countries (OIC).

With complete experience at various global forums, including as an organizer of TCTP (Third Country Training Program), Executive Committee member and President of DCVMN (Developing Countries Vaccine Manufacturer Network) and GAVI (Global Alliance of Vaccine Initiative), Bio Farma is confident that it can carry out its leadership task in establishing a center of excellence for the development of biological products for Islamic countries.

Through partnership implementation, the marketing strategy no longer talks of competition, price and quality, but is more focused on a unified perception of the importance of Global Vaccine Security, which encompasses guaranteed vaccine production, guaranteed vaccine financing allocation and estimates of vaccine demand both nationally and globally, green industry, GRC (governance, risk management, compliance), and world class CSR (corporate social responsibility).

Results and Targets Comparison

Bio Farma's performance in 2015 was beautiful. Various awards for innovation, achievements and the dedication of Bio Farma's employees had a positive impact. Bio Farma's policies to share with the local community also had a positive impact. From the business side, the trend for business growth in Bio Farma demonstrated significant improvement during the 2011-2015 period.

Some of Bio Farma's achievements during 2015 include:

- A rise in sales in 2015 of Rp 2.34 trillion. Compared to 2014, which recorded sales of Rp 2.04 trillion, sales in 2015 rose 14.77%. The increase in sales in 2015 exceeded the figure set in early 2015 for the 2015 RKAP by 2.03% or Rp 2.29 trillion.
- Sales in the export sector grew 19.3%, or Rp 1.64 trillion compared to export sales in 2014, which amounted to Rp 1.37 trillion.
- The company's profit rose in 2015 to Rp 670.59 billion, compared to Rp 582.19 billion in 2014, a rise of 15%.
- Total assets in 2015 reached Rp 5.68 trillion compared to Rp 3.04 trillion in 2014, a rise of 86.58%.
- Bio Farma was the only pharmaceutical company to win Gold rank for the second year since 2014 in the Forestry and Environment Ministry's PROPER environmental awards, as well as other awards nationally and internationally.

Sales by product group and by sector reached 102.0% from budget, boosted by viral vaccine sales and goods and service sales reaching 114.2% and 110.2% of budget respectively. Meanwhile, compared to realization in 2014, there was a rise of 14.8% with nearly all product groups rising. We are also highly appreciative that in 2015 we made our first export of the Pentabio Vaccine (DPT-Hepatitis B-HiB) to Mesir after receiving pre-qualification from the World Health Organization.

The success of Bio Farma in making these achievements reflects the dedication of all Bio Farma's employees who work systematically and apply integrated Management System policies across all fronts. Product development is already on the right track with the belief that Bio will be able to produce new vaccines, such as Rotavirus, IPV, pneumococcal, typhoid conjugate, and other vaccines still in the research pipeline.

ANALYSIS OF BUSINESS PROSPECTS

Global Health Security

Before the discovery of the Ebola virus vaccine that emerged in 2014 was complete, in 2015 the Zika virus appeared in four countries in Latin America and the Caribbean. This virus, spread by the Aedes aegypti mosquito, which also causes dengue and yellow fever, has been attacking pregnant women, particularly in Brazil. Currently, the world's vaccine producers continue to work together to accelerate production of new vaccines in anticipation of the rapid development of viral mutations, sometimes exceeding the speed of discovery of the vaccine itself. Bio Farma continues to play an active role in international institutions, especially in anticipation of Global Health Security.

In addition to the confidence of national institutions, Bio Farma is also trusted by various research institutions across the world to undertake the development of new vaccines. This confidence indicates that Bio Farma has potential in terms of infrastructure and competent human resources. Currently the vaccines being developed are Rotavirus, Pneumococcal, Typhoid Conjugate. Pneumococcal is a new vaccine for the world, while, if Bio Farma is able to release the Typhoid Vaccine Conjugate onto the market at the right time, we will be the second manufacturer in the world who has managed to produce this vaccine.

In the next few years, Bio Farma will also be preparing for various international regulations, such as the international industry standardization platform through the Industrial Development Organization of the United Nations (UNIDO), which is the United Nations special agency established to promote and accelerate industrial development in developing countries and countries in economic transition, as well as to promote international industrial cooperation.

Research and Development Performance

A concrete manifestation of this synergy was the signing of the MoU (Memorandum of Understanding) for the National Innovation Forum (NIF) program in 2015 organized by the Ministry of Research, Technology, and Higher Education. Witnessed directly by President Joko Widodo, the signing of this memorandum of understanding between Bio Farma and various institutions, as well as several universities, was for the Assessment and Application of Science and Technology in the Field of Development and Production of a Hepatitis B Vaccine based on Protein Recombinant, with the Agency for the Assessment and Application of Technology (BPPT), the Eijkman Institute for Molecular Biology, Indonesian Institute of Sciences (LIPI), Bandung Institute of Technology (ITB) and Al-Azhar University.

Performance related to other research and development includes the signing of a memorandum of understanding with LIPI and Gadjah Mada University in efforts toward Biological Eritopoetin (EPO) product development. Towards the end of 2015, prototype Erythopoetin (EPO) was submitted based on P2 Biotechnology LIPI Cibinong research, while manufacturing development for second generation Erythopoetin (EPO) will be launched in the next few years. Submission of Research Cell Bank (RCB) EPO from P2 Biotechnology LIPI Cibinong, to Bio Farma, for further RCB's characterization and development until it is ready for production.

The focus of Research and Development in 2015 was to continue ongoing research, both internally by Bio Farma as well as in cooperation with overseas institutions such as Melbourne University, Lipotek and consortiums in the country. Product Development has included Pneumococcal vaccine, typhoid vaccine, new OPV2 vaccine and rotavirus vaccine.



Supervision Agency of the Republic of Indonesia (BPOM RI), in the Innovation Program Performance BPOM Agency event in 2015.

National Vaccine Research Forum (FRVN)

In 2015, FRVN entered its 5th year of successful implementation on 26-27 August 2015 in Jakarta. This forum was established in 2011 and is composed of researchers from universities, government and industry, particularly in the field of vaccine and Life Science research, all of whom gather for the development of new vaccines in the country.

Synergies between vaccine researchers aim to create independence and acceleration so the discovery of new vaccines, that would take 15-20 years, can be more quickly released to the public. The theme of FRVN 2015 was Downstream National Research Results in Life Science to Improve the Nation's Quality of Life.

The results from FRVN, among other things, were five consortia (TB, Hepatitis B, Dengue, EPO and Influenza) and seven working groups (HPV, Stem cells, Pneumococcal, Pneumonia, Malaria, HIV and Policy) are no longer at the basic research stage but are already heading downstream, so that at some future time the results of vaccine development will be perceived by the public. However, the products that have reached downstream must still first pass various clinical trial stages.

Life science products being worked on by researchers are biological products that can also be used for therapy or medication, such as erythropoietin (EPO), which is a biosimilar for the treatment of anemia given to patients with chronic kidney disease, as well as stem cells. The research scope of FRVN has expanded beyond vaccines and is spreading to life science products that include vaccines, stem cells and biosimilar products, i.e. biological products that can be used for treatments.

Human Capital Performance

In 2015, the Human Capital initiative was the implementation of innovative management and the establishment of an innovative culture that has become a corporate value, with innovations in products, processes and strategies across all of Bio Farma. In addition, awards were given to accommodate innovations created by Bio Farma employees.

In line with the Human Resources Master Plan (HRMP) program of normalizing Knowledge Sharing and knowledge sharing optimization through the application of the Knowledge Management System, the Formal Education Post Graduate cooperation program with Bandung Institute of Technology (ITB) is directed at the specificity of Bio Technology / Life Science in accordance with the Company's Vision.

Every year, Bio Farma sends its employees to participate in various competence development programs at home and abroad that are associated with its core business of biotechnology, as well as other skills that support business processes.

In addition to employee mapping based on competency and HR management by implementing a talent management strategy, both talent need and talent selection are implemented to obtain employees with a high competence in the field of Biotechnology. HR competency development in biotechnology and biopharmaceuticals includes sending employees to complete post-graduate study at home and abroad and on assignments to International agencies.



PT Bio Farma (Persero) President Director Iskandar (left) hands over a Diabetes Melitus (DM) Early Detection Diagnostic Kit to Director General for Strengthening Research and Development in the Ministry of Research, Technology, and Higher Education, M. Dimyati, witnessed by Health Minister Nila Djuwita F. Moeloek (second left) at the opening of the National Vaccine Research Forum 2015 with the theme "Downstream National Research Results in Life Science to Improve the Nation's Quality of Life."

IMPLEMENTING CORPORATE GOVERNANCE

Corporate Governance Performance

The consistent application of the principles of good corporate governance (GCG) as the primary basis for running the Company must be implemented by all Bio Farma employees. GCG is a basic philosophy that is inherent in the attitude, behavior, thought patterns and ways we work, in line with the implementation of our corporate culture, namely Professional, Integrity, Team Work, Innovation, and Customer Oriented.

In 2015, various policies concerning the application of good governance has been refined, disseminated and implemented. Some of the Decisions of the Board of Directors and Joint Decisions of the Board of Commissioners and Board of Directors in 2015 were related to GCG policy tools such as the Code of Conduct, Whistle Blowing System (WBS), Control of Gratuities and Board of Commissioners and Board of Directors Work Guidelines (Board Manual).

We conduct periodic evaluations on GCG implementation through external parties and self-assessment by an internal team, to ensure that the principles of corporate governance are running well. In 2015, self assessment of GCG implementation was carried out by a counterpart team. In addition to the assessment, efforts to improve GCG were conducted through KPKU (Superior Performance Assessment Criteria).

According to the results of the KPKU assessment team, which took place in two stages, namely on-desk review and site visits, based on the assessment criteria for superior performance (KPKU), Bio Farma's results in 2015 had improved. The Bio Farma Superior Performance Assessment Criteria Score (KPKU) in 2015 totaled 467, up 10.47%, or 44.25 points, compared to 2014's score of 422.75. The increased score resulting from the assessment conducted by the Forum for Excellence in SOEs (FEB) proved a stronger and more effective commitment to the application of good corporate governance.

External evaluation carried out by the Development Finance Comptroller (BPKP) Representatives of West Java gave a performance assessment result for GCG implementation for 2011-2012 and 2014-Semester 1/2015 with an improved score of 86.83, categorized as "Very Good".

Other GCG performance was the implementation of GCG self assessment through the distribution of questionnaires to assess the Board of Commissioners, Board of Commissioners' and Board of Directors' Committees, as well as the Signing of a Memorandum of Understanding (MoU) between Bio Farma and BPKP West Java Representatives, implementing the Corporate Risk Mitigation Coordination and Action Plan (Corporate Risk Management Follow Up), and Dissemination of the GCG Guidelines and Integrity Pact.

On April 28, 2015, all Bio Farma employees signed an Integrity Pact after undertaking a workshop to understand the Good Corporate Governance Guidelines, Code of Conduct, Whistle Blowing System and Gratification Control Guidelines, which was attended by the entire Board of Directors, Board of Commissioners and Board of Commissioners' Supporting Bodies.

Risk Management Performance

The Risk Management System applied at Bio Farma refers to COSO Enterprise Risk Management - Integrated Framework. In line with the design of Bio Farma's Integrated Management System, Bio Farma's Risk Management System has undergone amendments by combining ISO 31000 (2009) and the COSO Enterprise Risk Management - Integrated Framework.

In 2015 there were 6 (six) corporate risks, which were divided into four (4) risks from routine activities and two (2) project risks. The 3 (three) highest risks were increased global competition, delays in vaccine supplies and changes to national and international policy / regulations. After determining the corporate-associated risks and the strategic steps to be taken to deal with these risks, as the body responsible for corporate risk, the Corporate and Risk Management (CRM) Division will assess and monitor the risk management activities carried out by every unit. Each Head of a risk unit is responsible for each risk and the overall handling to measure the effectiveness of risk management in Bio Farma.

Sustainability Performance



SGDs (Sustainable Development Goals) are the concept that follows on from the Millennium Development Goals (MGDs), which ended in 2015. Bio Farma has adopted four aspects (Good Health and Wellbeing, Clean Water and Sanitation, and Partnership for Goals) for Bio Farma's future sustainability in the life science industry.

Sustainable Development Goals (SDGs)

Bio Farma continues to meet international regulatory aspects, including adopting the global agenda that contains the Sustainable Development Goals (SDGs), namely 17 sustainable development targets for the coming 15 years. In the first phase, we will focus on several goals, such as energy efficiency, innovation, adoption of environmentally friendly and renewable technologies, and cooperate with various parties to achieve the targets.

Mainstreaming Social and Cultural Aspects

As with any companies that have entered the global sphere, Bio Farma is being led by a system of international order in which industries in developing countries should mainstream social, cultural and environmental aspects into their core businesses.

Currently, in addition to facing tight competition in the future, Bio Farma must also continue to adjust to various international regulations from United Nations Industrial Development (UNIDO). This is not easy for industries in developing countries.

To prepare for competition at the global level, Bio Farma follows these rules, which include continued efforts to mainstream cultural and environmental aspects into Bio Farma's core business. With regard to the opening of the ASEAN Economic Community since 1997, Bio Farma passed that stage when its vaccine products entered the global market.

Ciletuh National Geopark

One focus of Bio Farma CSR focus in 2015 is to encourage special attention from UNESCO for the Ciletuh Geopark, located in the Ciemas district of Sukabumi, West Java. Through an intensive process, in December 2015, Bio Farma, the Sukabumi district government and West Java Provincial Government succeeded in obtaining recognition for Ciletuh Geopark as a UNESCO-standard National Geopark.

We uphold the principle that even with a strong global perspective for our operations, we should prioritize local content and respect local wisdom. Various international organizations, such as the Asia Pacific Geopark Network, have said that Bio Farma is the only corporation that has paid such close attention to fully supporting the aspect of complete documentation for Ciletuh Geopark to be recognized by UNESCO.



Acknowledgment from the Indonesian National Commission for UNESCO stating that Ciletuh Geopark is qualified administratively to be recognized as a National Geopark in accordance with UNESCO Geopark Standards

We also continually help the Ciletuh Geopark region with its excellence in biodiversity and geodiversity, meanwhile, for elements of Cultural Diversity we are currently selecting artistic, cultural and culinary specialties for the geopark to add to its appeal to national and international tourists, as well as be able to develop the community's economy.

As a company that prioritizes our employees, we believe that our employees' artistic abilities cannot be underestimated; of the communities we support, one is an arts and cultural community that aims to preserve arts and culture that are at risk of extinction. This practice also affects the development of arts and culture in new areas, especially the Geopark.

We expect the target of UNESCO recognition for Ciletuh Geopark as part of the Global Geopark Network in 2017 can be achieved. This would increase the number of globally recognized Indonesian geoparks.

Board of Directors' Member



LEFT → RIGHT:

• Pramusti Indrascaryo – *Finance Director* • Andjang Kusumah – *Human Resources Director (HR)*
• Iskandar – *President Director* • Mahendra Suhardono – *Marketing Director*
• Juliman – *Production Director* • Sugeng Raharso – *Planning & Development Director*

CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS

In 2015, there were no changes to the composition of the Bio Farma's Board of Directors; we believe that the current composition of the Board of Directors consists of various scientific backgrounds, competencies and the right experience that will continue to support Bio Farma achieve positive performance and contributions next year. We also state that the current Bio Farma Board of Directors can be trusted to play an active role in national forums and international institutions.

APPRECIATION

We would like to express our appreciation and gratitude to all our stakeholders, shareholders, the Board of Commissioners and our business partners for their continued support and trust. We convey our appreciation to all Bio Farma employees, who have shown consistent dedication and professionalism in their work and in maintaining the company's values. We believe with the support of all parties, in the coming years Bio Farma will further increase its value to our shareholders, benefit society and promote life solutions for sustainable prosperity.

On behalf of the Board of Directors



Iskandar – *President Director*

RESPONSIBILITY STATEMENT FOR ANNUAL REPORT OF 2015

This 2015's Annual Report includes financial statement and other information falls under the full responsibility of all Board of Directors and Board of Commissioners whose signature appears below.

BOARD OF COMMISSIONER



Ahmad M. Ramli
President Commissioner



Muhammad Subuh
Commissioner



Nizar Yamanie
Commissioner



Paruli Lubis
Commissioner



Ihsan Setiadi Latief
Commissioner



Heridadi
Commissioner

BOARD OF DIRECTOR



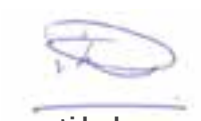
Iskandar
President Directors



Andjang Kusumah
Human Resources Director



Mahendra Suhardono
Marketing Director



Pramusti Indrascaryo
Finance Director



Juliman
Production Director



Sugeng Raharso
Planning & Development Director



COMPANY PROFILE



COMPANY NAME AND ADDRESS

Company Name
PT Bio Farma (Persero).

Domicile
Bandung.

Establishment
6 August 1890.

Establishment Deed
Minister of Justice of the Republic of Indonesia Decision No. C2-1423hT.01.01. of 5 March 1998.

Authorized Capital
Rp 5 trillion consisting of 5 million shares with a nominal value of Rp 1 million per share.

Issued & Paid-Up Capital
Rp 1.65 trillion consisting of 1.25 million shares with a nominal value of Rp 1 million per share.

Share Ownership Composition
100% owned by the Government of the Republic of Indonesia.

No Subsidiary.

Non Listed.



Scope of Business

Research, development, production, marketing of biological products, pharmaceutical products and medical devices.

Address

PT Bio Farma (Persero)
Jl. Pasteur No. 28, Bandung 40161
Tel.: (62-22) 203-3755 • Fax.: (62-22) 204-1306
E-mail: mail@biofarma.co.id • Website: www.biofarma.co.id
Facebook: Info Imunisasi
Twitter: @infoimunisasi, @biofarmaID
Blog: www.infoimunisasi.com



BIO FARMA IN BRIEF

Bio Farma has gone a long way towards becoming a world-class vaccine and antisera producer, beginning when the Dutch East Indies colonial government established the "Parc-vaccinogène" (State Vaccine Development Institute) on 6 August 1890. The institute initially occupied a building in Weltevreden, Batavia, which is now the Central Army Hospital (RSPAD) Gatot Subroto, Jakarta.

From the time of its establishment, Parc-vaccinogène focused on research to eradicate infectious diseases, and eventually Parcvaccinogène collaborated with Institut Pasteur to conduct research on microbiology; this led to the institution changing its name to Parc-vaccinogène en Institute Pasteur.

In keeping with developments over time, the Company has undergone several name changes and legal entity forms, up until 1997 when, based on Government Regulation No. 1 of 1997, the Company was transformed into a state-owned limited liability company, with all its shares owned by the Government of the Republic of Indonesia, and named PT Bio Farma (Persero).



As the only manufacturer of vaccine and antisera in Indonesia, Bio Farma is playing a significant role in the effort to prepare the next generation of healthy and free from diseases Indonesians in order to create a fully productive and globally competitive future generations.

The Company's Deed of Incorporation and Articles of Association were notarized by the Notarial Deed of Muhani Salim SH., No. 1 dated 3 February 1997, and approved by the Minister of Justice of the Republic of Indonesia in Decree No. C2 - 1423HT.01.01. dated 5 March 1998 on the Ratification of the Company's Deed of Establishment and published in State Gazette of the Republic of Indonesia No. 57 dated 16 July 2002 Supplement No. 6884.

The Company's Articles of Association have been amended several times, and were most recently published in State Gazette of the Republic of Indonesia No. 65 dated 14 August 2009 Supplement No. 21702. The most recent composition of the Board of Directors was stated in Deed No. 45 dated 30 October 2009 on the Statement of the Minister of State-Owned Enterprises at the General Meeting of Shareholders (GMS) of the Company, notarized by Fathiah Helmi, SH., received and recorded in the Administration System database of the Ministry of Justice and Human Rights No. AHU-AH.01.10 - 19828 dated 9 November 2009, while changes in issued capital have been included in Deed No. 26 dated 18 July 2012 on the decision of the Extraordinary Meeting of the Company's Shareholders, which was notarized by Fathiah Helmi, SH.

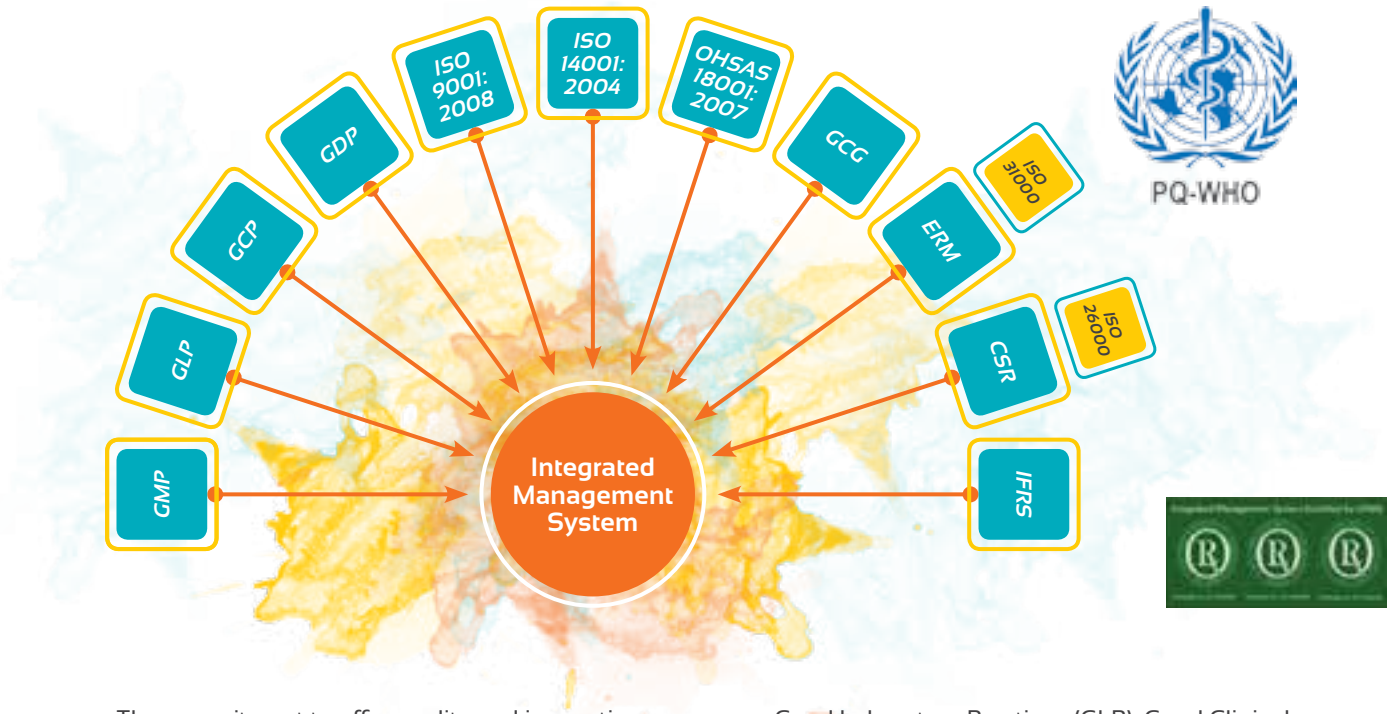
To this day, Bio Farma has played a significant role in the history of the development of vaccines and sera. It is currently the only state-owned enterprise (SOE) that produces vaccines and antisera.

Bio Farma is committed to providing high quality and innovative products, as demonstrated by its performance, which is always based on international standards and the latest management systems. Bio Farma has applied various integrated systems, including: CPOB (Good Drug Manufacturing Practices) from the Food and Drug Supervisory Agency (BPOM) and current Good Manufacturing Practices (cGMP) from the World Health Organisation (WHO), Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Distribution Practices (GDP), integrated management systems ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007; as well as other world class standards such as ISO 26000 guidance for CSR, Enterprise Risk Management ISO 31000, and International Financial Reporting Standard (IFRS).

Bio Farma's accomplishments have been globally recognized. Since 1997, Bio Farma has been one of approximately 29 vaccine manufacturers in 22 countries globally that have earned WHO (World Health Organization) Prequalification, earning the world's trust to meet vaccine needs in more than 130 countries. Working closely within a global international network of research institutions, regional professional organizations, and multinational companies, Bio Farma actively participates in the efforts to improve public health worldwide, both by providing quality vaccine products and developing technology transfer partnerships, resulting in health policies that are more beneficial for everyone.

Currently, Bio Farma's activities are centred on Jalan Pasteur No. 28, Bandung, on an area of 91,058 m2 for production, research and development, marketing and administration facilities. In addition, the Company maintains a supporting facility in Cisarua, Lembang, West Bandung regency, on an area of 282,441 m2 used for breeding and raising laboratory animals. The Company also has a representative office in Prakarti Center Building Tanah Abang III Street No. 23-27, Jakarta.

INTEGRATED MANAGEMENT SYSTEM



The commitment to offer quality and innovative products is shown by Bio Farma's reference to international standards and current quality management systems. Bio Farma has implemented a wide range of integrated systems, among others: Good Manufacturing Practices (GMP) of National Food & Drugs Control Agency, and current Good Manufacturing Practices (CGMP) of world Health Organization (WHO), Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Distribution Practices (GDP), ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007. As well as world-class standards, including ISO 26000 for CSR, ISO 31000 Enterprise Risk Management, and International Financial Reporting Standard (IFRS).

BIO FARMA MILESTONES

6 AGUSTUS 1890

Bio Farma was established under the name of "Parc Vaccinogene" on 6 August 1890 based on the Decree of the Governor of the Dutch Indies No.14 of 1890, in the Weltervreden Military Hospital, Batavia, which now function as the military Hospital (RSPAD) Gatot Soebroto, Jakarta.

1895-1901

The Company's name was changed to "Parc Vaccinogene en Instituut Pasteur."

1902-1941

The Company changed its name again to "Landskoepoek Inrichting en Instituut Pasteur." In 1923, Bio Farma was relocated in Jalan Pasteur No.28 Bandung, and led by L. Otten.

1942-1945

During the Japanese occupation, Bio Farma changed its name to "Bandung Boeki Kenkyusho" and was led by Kikuo Kurauchi.

1945-1946

The Indonesian name of "Gedung Cacar and Lembaga Pasteur" was attributed to the Company, which was then led by R.M. Sardjito, the first Indonesian officer who led the Company. Under his leadership, the head office was moved to Klaten.

1946-1949

During the Military Aggression, when Bandung was taken over by the Dutch army, the Company changed its name once more to "Landskoepoek Inrichting en Instituut Pasteur."

1950-1954

The Company changed its name again to "Gedung Cacar and Lembaga Pasteur", and was one of the institutions under the auspices of the Ministry of Health of the Republic of Indonesia.

1955-1960

During the nationalization of Dutch companies in Indonesia, the Company later changed its name to "State Company Pasteur". The Company was then more popularly known as PN. Pasteur.

1961-1978

Company renamed to "State Bio Farma Company", or better known as PN. Bio Farma.

1978-1996

Based on Government Regulation No.26/1978, the Company changed its name to Bio Farma public company, better known as Perum Bio Farma.

1997

Based on Government Regulation No. 1 1997, the Company name changed to Perum Bio Farma (Persero), known today as PT Bio Farma (Persero).

1997-2011

Bio Farma succeeded in obtaining WHO Prequalification for 12 types of vaccines, marking WHO's approval for entering global market.

2008

The launch of a new logo reflected the spirit and optimism towards entry into the world class vaccine industry.

2009

Under the new management team, Bio Farma stepped forward as a worldclass vaccine company with global competitiveness.

2013

The Roadmap towards the Lifescience industry began. Launching of the latest Pentavalent vaccine (Diphtheria, Tetanus, Pertussis, Hepatitis B, HiB) and the launching of a national immunization program.

2014

Enhancement of a new Vision, "To be a World Class Lifescience Company with Global Competitiveness".

2015

Inauguration of the new Heritage Building and Bio Farma Museum.

LINE OF BUSINESS

COMPANY BUSINESS ACTIVITIES

In accordance with the articles of association of the Company, the purpose of the establishment of the Company is to engage in research, development, production and marketing of biological, pharmaceutical, and medical products, and optimization of the Company's resources to create high quality products and services with a strong competitiveness to secure profit in order to improve the Company's value by implementing the principles of a limited liability company.

CURRENTLY ENGAGED LINES OF BUSINESS

The Company is currently engaged in the following lines of business:

1. Research and development of biological and pharmaceutical products, both on its own as well as in collaboration with other parties;
2. Production of biological and pharmaceutical products, both on its own as well as in collaboration with other parties;
3. Marketing, trading and distribution of biological, pharmaceutical, and medical products, including general goods, both domestically and overseas;
4. Medical laboratory services and clinic services;
5. Services related to the businesses described in points a, b, c, and d.

COMPANY PRODUCTS

Our products consist of vaccines and antisera for human, classified as follows:

Viral Vaccines



1. **Oral Polio Vaccine** –
   For poliomyelitis type 1, type 2, and type 3 prevention.
2. **Bivalent Oral Poliomyelitis Vaccine** –
   For poliomyelitis type 1 and type 3 prevention.
3. **Monovalent Oral Poliomyelitis Tipe 1 Vaccine (mOPV1)** –
   For the prevention of type 1 poliomyelitis disease.
4. **Measles Vaccine (Freeze Dried)** –
   For measles prevention.
5. **Recombinant Hepatitis B Vaccine** –
   For Hepatitis B prevention.
6. **Flubio Vaccine** –
   For seasonal influenza disease prevention.



Bacterial Vaccines



1. **TT Vaccine** –
   For tetanus and Neonatal Tetanus (Tetanus in newborns) prevention.
2. **DT Vaccine** –
   For diphtheria and tetanus prevention.
3. **DTP Vaccine** –
   For diphtheria, tetanus and pertussis prevention.
4. **BCG Vaccine** (Freeze Dried) –
   For tuberculosis prevention.
5. **Td Vaccine** –
   For tetanus and diphtheria prevention, for children aged 7 years and over.

Combination Vaccines



1. **DTP-HB Vaccine** –
   For prevention of Diphtheria, Tetanus, Pertussis (whooping cough) and Hepatitis B.
2. **Pentabio Vaccine (DTP-HB-Hib)** –
   For Diphtheria, Tetanus, Pertussis, Hepatitis B and Haemophilus influenza type B prevention.

Antisera



1. **Anti-tetanus Serum** –
   For treatment of tetanus.
2. **Anti-diphtheria Serum** –
   For curing diphtheria diseases.
3. **Snake Antivenom Serum** –
   For treatment of poisonous snake bites which contain neurotoxin effects (Naja sputratix/cobra and Bungarus fasciatus/ striped snake) and hemotoxin effect (Ankystrodon rhodostoma/ground snake).

Diagnostics

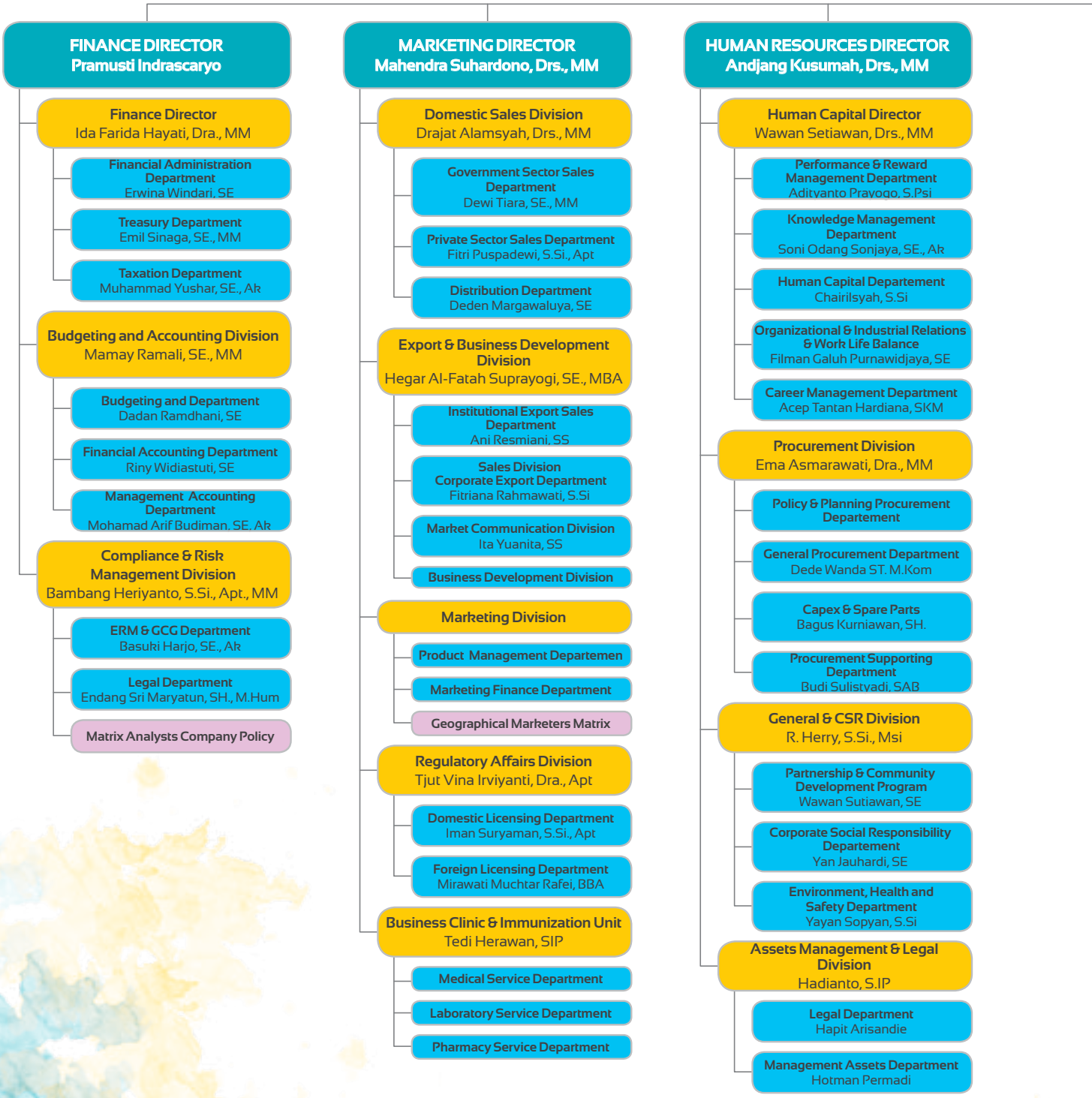


PPD RT 23 (Purified Protein Derivative) –for testing an individual's sensitivity against tuberculosis Infection.



ORGANIZATIONAL STRUCTURE

Bio Farma's organizational structure is based on the Decree of the Board of Directors of PT Bio Farma (Persero) No. 05586/DIR/VIII/2015 dated 21 August 2015 on PT Bio Farma (Persero)'s Organizational Structure.




PRESIDENT DIRECTOR
Drs. Iskandar, Apt., MM
PRODUCTION DIRECTOR
Juliman, Drs., Apt., MM
Virus Vaccines Production Division
Mohamad Usman, S.Si., Apt., MM
OPV Production Department
Wadi Hidayat, Drh
Measles Vaccine Production Department
Dewi Purnomo Rukmi, Drh
Media Production Department
Irpan Darfian, S.Si., Apt
Influenza Vaccine Production Department
Ida Nurnaeni, S.Si., Apt
sIPV Vaccine Production Department
Rotavirus Vaccine Production Department
Bacterial Vaccines Production Division
Jeni Tresnabudi, S.Si., Apt., MM
Diphtheria Vaccine Production Department
Windhy Febriyanti, ST
Tetanus Vaccine Production Department
BCG Vaccine Production Department
Ipah Epalia, Dra., MM.
Pertussis Vaccine Production Department
Rochani Sri Herni Astuti, ST
Hib Vaccine Production Department
Dida Baginda Raya, ST., MM.
Pharmacy Production Division
Ganjar Trisnasari, Dra., MM
Vaccine & Solvent Formulation & Filling Department
Yuyus Sirhanudin Permana, S.Si., Apt
Vaccine & Sera Formulation & Filling Department
Leni Lestari, Dra., MM
Packaging Department
Yudha Bramanti, S.Si
Engineering & Maintenance Division
Ahmad Tomy Zulfikar, ST
Electricity & Equipment Department
Tono Dwi Roesanto, ST
Mechanical & Utilities Department
Said Syahputra, ST
Cooler & Buildings Department
Agung Nugroho, ST
Validation & Calibration Department
Fitra Rezkiyansyah, ST
PLANNING & DEVELOPMENT DIRECTOR
Sugeng Raharso, drh., MM
Production Planning & Procurement Management Division
Andi Rachmatmulya, Drs., MM
Production Planning Division
Taufik Wilmansyah, S.Si
Management Procurement Division
Wage Indrya Nugraha, S.Si
Quality Control Division
Dori Ugiyadi, Drs., Apt., MM
Bacteria Vaccines Quality Testing Department
Vinca Medica Lestari, S.Si., Apt
Viral Vaccines Quality Testing Department
Nia Kurniati, S.Si
Chemical & Physical Quality Testing Department
Irma Riyanti, S.Si., Apt
Microbiological Quality Testing Department
Nunung Harini, S.Si, Apt
Pathology & Toxicology Department
Purnomo, drh
Laboratory Animals Division
Rachmawati Noverina, Drh
Animal Breeding Department
Muhammad Ismail, SPt
Clean Colony Poultry Department
Hirawan Setiadi, Drh
Animal Testing Department
Ivov Rinaldi Hasibuan, drh
SPF Animal Department
Agung Subekti, Drh
Surveillance & Clinical Testing Division
Novilia Sjafri Bachtiar, dr., M.Kes
Surveillance & Epidemiology Department
Dyah Widhiastuti, Dr., M.Kes
Clinical Testing Department
Rini Mulia Sari, dr
Research Matrix Product Development Division
Adriansjah Azhari, Drs., MM
Internal Control
Sri Widayatiningsih, SE
Auditor Matrix & Assurance
Quality Assurance Division
Iin Susanti. Dra., Apt., MM
QA Operation Department
Poppy Patricia, S.Si
QA Service Department
Diah Novitasari, S.Si. Apt
QA System Department
Tri Yuni Nugraha Djunaedi, ST
Corporate Secretary
Mas Rahman Roestan, S.Si., Apt., MBA
Secretariat Department
Astri Rahmawati, S.Si,. Apt
Corporate Communications Department
Neneng Nurlaela, SE., MBA
Corporate Planning & Strategy Division
Hikmat Alitamsar, Ir., MM
Business Planning & Strategy Analysis Matrix
Information Technology Division
Hikmatullah Insan Purnama
Infrastructure & Operations Department
Amin bin Kanda, ST
System Development Division
Rachmat Hariyanto, S.Si

PHILOSOPHY, VISION AND MISSION

PHILOSOPHY

Dedicated to Improve Quality of Life.

VISION

To become a World-Class life Science Company with Global Competitiveness.

MISSION

Provide and develop life Science Products of International Standards to Improve the Quality of Life.

Description on Changes to The Philosophy, Vision, Mission And Values

On 6 March 2014, Bio Farma transformed its Philosophy, Vision, Mission and Values in accordance with the Joint Decision of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-07/DK /BF/ III/2014, No. 01103/DIR/III/2014 on Changes to the Joint Decision of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-05/Dk /BF/ II/2013, No. 01024/DIR/II/2013 on the Code of Conduct of PT Bio Farma (Persero) Article I verse 1.5 and 1.6.

The new Philosophy, Vision, Mission and Values have been disseminated by the Company to its employees through:

- Training programs held on 21-25 April 2014 at GH Universal Bandung, with the theme of "Internalization of Corporate Vision, Mission and Values".
- Directors' Induction on 26 May 2014 in Bio Farma's Multi-Purpose Building
- Mail Moderator on 30 June 2014.

Explanation of the Company's Vision

Bio Farma's Vision is stipulated in the Document MBF-01 revision 12, dated 30 June 2014, that is to be a world-class producer of vaccines and antisera with global competitiveness. This vision emphasizes Bio Farma's role in fulfilling the national and global needs for vaccines, repositioning itself from a vaccine producer to a life science company in the spirit of greater transformation. The world-class status is achieved through innovation in various segments, increasing efficiency in various environmentally-friendly business processes, technological updating, implementation of world-class CSR activities, and enhancement of world-class human capital quality.

Explanation ontThe Company's Mission

Bio Farma's Mission in order to make its Vision come to life has been formulated by taking into consideration the Company's primary competencies and the strategic challenges it faces. Bio Farma continuously implements innovations by producing, marketing, and distributing vaccines and antisera with international standards of quality. To maintain quality, Bio Farma has deployed various integrated systems that have been certified with ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, CPOB, ASEAN GMP, WHO GMP, and followed the global development of cGMP requirements. In running its mission, Bio Farma continues to uphold the principles of GCG. Its presence for 123 years is expected to contribute optimally to all of the Company's stakeholders.

CORPORATE POLICY AND CULTURE

CORPORATE POLICY

1. High quality products.
2. Environmentally friendly products.
3. Global competitiveness.
4. Customer satisfaction.
5. Continuous improvement.
6. Pollution control.
7. Prevention of occupational accidents and work- related diseases.
8. Conservation of energy and natural resources.
9. Compliance to laws and other regulations.

CORPORATE CULTURE

Each organ of the Company acts and thinks in a professional manner, with high integrity, spirit of teamwork, innovation- driven and customer service-oriented.

- **Professional**

  Committed to executing all tasks with responsibility, efficiency, effectiveness, forward-orientation, and procedural compliance.

- **Integrity**

  Honest, transparent, and accountable, in line with the Company's objective.

- **Teamwork**

  Working together by respecting others' roles and opinions.

- **Innovation**

  Carrying out continuous improvement and development to generate new ideas.

- **Customer Oriented**

  Understanding the needs of customers and providing the right solutions to them.



BRIEF PROFILE OF MEMBERS OF THE BOARD OF COMMISSIONERS



Ahmad M. Ramli
President Commissioner

Born in Bandung, 4 July 1961, Ahmad M. Ramli obtained the Bachelor of Law degree from the Faculty of Law, Padjadjaran University, Bandung in 1985. He obtained the Master of Law degree at the Legal Studies Master's Program and Doctor of International Law from Padjajaran University in 1999. Began his career as Assistant Lecturer at the Faculty of Law of Padjajaran University in 1986. Served as Assistant Dean II (1999-2001) and Assistant Dean I (2001-2004). An Intellectual Property Rights and Cyber Law expert, and holds the Certificate on Industrial Property Rights, Japan Institute of Invention and Innovation. He is also a Professor at the Faculty of Law of Padjajaran University, and has served as Expert Staff for the Minister of Communications and Informatics of the Republic of Indonesia (2004-2007), member of the Arbitration and Alternative Dispute Resolution Law Preparation Team, and member of the Law Review (Law Reform) Team at the Ministry of Justice of the Republic of Indoneisa (1998-1999), Chairman of the Interdepartmental Team of Public Information Acquisition Freedom Law, Department of Communications and Informatics, Department of Law and Human Rights (2006), Head of the National Law Encouragement, Department of Law and Human Rights (2007) and member of the Telecommunications Regulation Agency – BRTI (2005-2007). Has been working as Arbiter at the Indonesian National Arbitration Agency (BANI) since 2004, and also as Director General of Intellectual Property Rights at the Ministry of Law and Human Rights of the Republic of Indonesia. Appointed as Commissioner of Bio Farma on 8 October 2007 to 5 November 2012, and then reappointed as Commissioner of Bio Farma on 12 April 2013. As of 31 December 2015 he was 54 years of age.

His legal basis of appointment as Commissioner is the Decree of the Minister of SOE No. Sk-220/MBU/2013 dated 12 April 2013. He has no affiliation with members of the Board of Directors or other members of the Board of Commissioners or the shareholders.



Nizar Yamanie

Commissioner

Born in Surabaya, 23 December 1952, Nizar Yamani graduated from the Faculty of Medicine of Airlangga University, Surabaya and completed his Consulting Neurospecialist program at the University of Indonesia. Active at Cipto Mangunkusumo Hospital Jakarta, National Brain Hospital Jakarta, and Husada Utama Hospital in Surabaya. Member of the advisory team at the Indonesian Epilepsy Prevention Union (PERPEI) and appointed as Commissioner of Bio Farma on 28 May 2012. As of 31 December 2015 he was 63 years of age.

His legal basis of appointment as Commissioner is the Decision Outside of the GMS No. 204/MBU/2012 dated 28 May 2012 in conjunction with the Decree of the Minister of SOE No. Sk-81/MBU/2013 dated 4 February 2013. He has no affiliation with members of the Board of Directors or other members of the Board of Commissioners or the shareholders.



Ihsan Setiadi Latief
Commissioner

Born in Bandung, 14 July 1972, Ihsan Setiadi Latief completed his bachelor's degree at the Ushuluddin Faculty, majoring in Philosophy of Aqidah, IAIN Sunan Gunung Djati Bandung in 1996. He studied at the Social Sciences Master's Program majoring in Communication Sciences at Padjadjaran University in 2004. Has been active since as a student in various organizations, such as ICMI (Indonesian Muslim Academics Association), Perhimpunan Masyarakat Madani, komunitas konsultasi komunikasi (konklusi) and Persatuan Islam. worked in various higher learning institutions, such as a teacher at the Sekolah Tinggi Agama Islam Persatuan Islam (STAI Persis), Chairman III of the Sekolah Tinggi keguruan dan Ilmu Pendidikan Persatuan Islam (STKIP Persis) from 1998 to 2002, and then as Chairman of STKIP Persis until the present. Also serves as guest lecturer of Communications and Counseling at the Sekolah Tinggi Ilmu kesehatan Jenderal Achmad Yani (Stikes Unjani) Bandung, guest lecturer of Communications and Negotiations at Al- Azhar University Indonesia Jakarta and Bung karno University. Founded the Cita Insani Mandiri Foundation that engages in the teaching of Islam and social issues. Appointed as Commissioner of Bio Farma on 1 May 2013. As of 31 December 2015 he was 43 years of age.

His legal basis of appointment as Commissioner is the Decree of the Minister of SOE No. Sk-235/MBU/2013 dated 1 May 2013. He has no affiliation with members of the Board of Directors or other members of the Board of Commissioners or the shareholders.



Paruli Lubis

Commissioner

Born in Yogyakarta, 21 January 1953, Paruli Lubis completed his education at the Financial Sciences Institution in Jakarta in 1980. He graduated with the of Business Administration degree from Washington University – Saint Louis, USA (1986). Worked in the scope of the Ministry of Finance of the Republic of Indonesia and had served as Chief of the XXVII Regional Office, Directorate General of Budgeting in Manado (2002), Director of Budget Execution (2004), Director of Treasury System (2008) and Director of Treasury Transformation, Directorate General of Treasury of the Ministry of Finance of the Republic of Indonesia (2009). Appointed as Commissioner of Bio Farma on 5 November 2012. As of 31 December 2015 he was 62 years of age. His legal basis of appointment as Commissioner is the Decree of the Minister of SOE No. 392/MBU/2012 dated 5 November 2012. He has no affiliation with members of the Board of Directors or other members of the Board of Commissioners or the shareholders.



Heridadi

Commissioner

Born in Tanjung Karang on 24 July 1952. Heridadi obtained a Doctoral degree from the Faculty of Medicine, University of Indonesia in 1997, then enrolled to the ABRI Military School. His first assignment as TNI AD Officer was at Kesdam II/Sriwijaya with the rank First Liutenant CKM as Pusat Latihan Tempur (Puslatpur) Doctor. In 1985-1987 was enrolled to the Health Planning and Management Master's Program at the Faculty of Health, University of Indonesia, and afterwards he was assigned to the Directorate of Health, TNI AD. In 1990 he became the Vice Commander of the Health Batallion, First Infantry Division Kostrad and in 1992 participated in Seskoad education. Subsequently served as Commander of the Health Battalion, First Infantry Division of Kostrad. In 1994-1995 served as Commander of the XIV/A Garuda Contingent for UN duty in Bosnia Herzegovina. His subsequent military post was at Health Chief of Kostrad, Health Chief of Kodam Jaya, and Health Education Center Commander of TNI AD. In 2004 he served as Director of Health of TNI AD until 2008. In 2007 participated in Lemhannas program and in 2008 became the Health Chief of TNI up to 2010. In 2013 graduated with a Doctoral degree at the Faculty of Medicine of the Gadjah Mada University, majoring in Biodefense. Appointed as Commissioner of Bio Farma on 23 January 2014. As of 31 December 2015 he was 63 years of age.

His legal basis of appointment as Commissioner is the Decree of the Minister of SOE No. SK-17/MBU/2014 dated 23 January 2014. He has no affiliation with members of the Board of Directors or other members of the Board of Commissioners or the shareholders.



Mohamad Subuh

Commissioner

Born in Pontianak on 19 January 1962. Mohamad Subuh finished School of Medicine from University of Indonesia, Jakarta, with the Medical Doctor Qualification in 1988. After that he finished School of Publlic Administration with the Master Public Policy (MPPM) Qualification from University of Southern California in 1999. Currently serving as the Director General of Disease Control and Environmental Health (P2PL) Ministry of Health, Republic of Indonesia.

He had served as the Director of Mohamad Sultan Syarif Alkadrie General Hospital in West Kalimantan (2004-2009), Head of West Kalimantan Provincial Health Office in (2009-2010), Director of Infectious Disease Control (2010-2013), Secretary of the Directorate General of Disease Control and Environmental Health (2013-2014). Was appointed as Bio Farma Commissioner since 22 June 2015. Age per December 31, 2015 is 53 years old.

His legal basis for the appointment as Commissioner is the Decree of the Minister of SOE No. SK-97/MBU/06/2015 dated 22 June 2015, replacing Herman L Djuni. He has no affiliation with members of the Board of Directors or other members of the Board of Commissioners or the shareholders.

BRIEF PROFILE OF MEMBERS OF THE BOARD OF DIRECTORS



Iskandar
President Director

Born in Sukabumi, 25 December 1955, Iskandar obtained a Bachelor of Pharmacy (1980) and Pharmacist (1981) from the Department of Pharmacy, Faculty of Mathematics and Natural Sciences, Bandung Institute of Technology. He obtained his Master of Management degree, majoring in Financial Management, from the Master of Management Program at the Faculty of Economics and Business at Padjadjaran University in 2004. Has been working in Bio Farma for more than 30 years, and occupied various managerial positions, such as Head of Intravenous Production Department (1988), Head of Miscellaneous Production Department (1994), Head of Logistics Division (2002), Head of Research and Development Division (2005), and Director of Planning and Development (2007). Active in various global vaccine industry and currently is member of the Board of Trustees of the International Vaccine Institute (IVI) korea, Chairman of the Self Reliance Vaccine Production program at the Islamic Development Bank (SRVP – IDB) and Member of the National Vaccines Research Board. Appointed as President Director of Bio Farma on 17 September 2009 and reappointed for the second term of office on 12 April 2013. As of 31 December 2015 he was 60 years of age.

His legal basis of appointment as President Director is the Decree of the Minister of SOE No. SK-285/MBU/2012 dated 3 August 2012 and SK-221/MBU/2013 dated 12 April 2013. He has no affiliation with other members of the Board of Directors or members of the Board of Commissioners or the shareholders.



Mahendra Suhardono

Marketing Director

Born in Situbondo, 5 April 1962, Mahendra Suhardono obtained his Bachelor of Pharmacy (1986) and the Pharmacist (1988) from the Department of Pharmacy, Faculty of Mathematics and Natural Sciences, Bandung Institute of Technology. He obtained his Master of Management degree from the Master of Management Program of Sekolah Tinggi Manajemen Bandung (STMB)/Institut Manajemen Telkom Bandung in 2009. Throughout his career at Bio Farma, he served in a number of positions, such as Head of Packaging Department (1994-1997), Head of Quality Assurance Division (2002-2007) and Production Director (2007-2012). Active as member of Indonesian Pharmaceutical Association (ISFI). Is one of the key persons of Bio Farma with active participation in various world Health Organization (WHO) activities. Selected as President of DCVMN (Developing Countries Vaccine Manufacturers Network) for the period of 2012-2014. Reselected as the President of DCVMN (Developing Countries Vaccine Manufacturers Network) for the period of 2014-

2016. Appointed as Marketing Director on 12 April 2013. As of 31 December 2015 he was 53 years of age.

His legal basis of appointment as Marketing Director is the Decree of the Minister of SOE No. Sk-285/MBU/2012 dated 3 August 2012 and Sk-221/MBU/2013 dated 12 April 2013. He has no affiliation with other members of the Board of Directors or members of the Board of Commissioners or the shareholders.



Andjang Kusumah

Human Resources director

Born in Cianjur, 8 August 1953, Andjang Kusumah obtained his Bachelor of Economics degree from the Faculty of Economics, Padjadjaran University (1979) and Master of Management from the Financial Management Postgraduate Program in Jakarta (2002). Has been working in the Ministry of SOE and occupied various positions, such as Assistant Deputy of Manufacturing and Strategic Industries (2010-2012) and Assistant Deputy of Telecommunications Business (2007-2010) and as Commissioner in various SOEs, such as PT kawasan Berikat Nusantara (2001-2007), PT Dahana (2007-2011), PT Jakarta Lloyd (2007-2011) and PT Sucofindo (2010-2012). Appointed as Human Resources Director of Bio Farma on 7 March 2012. As of 31 December 2015 he was 62 years of age.

His legal basis of appointment as Human Resources Director is the Decision Outside of GMS No. SK-116/MBU/2012 dated 7 March 2012 in conjunction with the Decree of the Minister of SOE No. SK-69/MBU/2013 dated 4 February 2013. He has no affiliation with other members of the Board of Directors or members of the Board of Commissioners or the shareholders.



Juliman

Production Director

Born in Pangkal pinang, 23 September 1962, Juliman obtained his Bachelor of Pharmacy (1988) and Pharmacist (1989) from the Department of Pharmacy, Faculty of Mathematics and Natural Sciences, Bandung Institute of Technology. He obtained his Master of Management degree from the Master of Management Program of the Faculty of Economics and Business, Padjajaran University in 2005. Working in Bio Farma, he has occupied a number of important positions, such as Head of Polio and Measles Vaccine Support Department (1994-1998), Head of Measles Vaccine Production Unit (1998-2002), Head of Production Engineering and Maintenance Division (2002-2003), Head of Export Sales Division (2003-2012) and Head of Logistics Division (2012-2013). Active as trainer in Global Training Network (GTN)/Third Country Training Program (TCTP) and participated in various fora organized by the World Health Organization (WHO) and Global Alliance for Vaccine Immunisation (GAVI). Appointed as Production Director of Bio Farma on 12 April 2013. As of 31 December 2015 he was 53 years of age.

His legal basis of appointment as Production Director is the Decree of the Minister of SOE No. SK-221/MBU/2013 dated 12 April 2013. He has no affiliation with other members of the Board of Directors or members of the Board of Commissioners or the shareholders.



Pramusti Indrascaryo

Finance director

Born in Semarang, 23 August 1965, Pramusti Indrascaryo obtained his bachelor's degree from Diponegoro University, Semarang, in 1989 and his Master of Management, majoring in Financial Management, from the Faculty of Economics and Business, Gadjah Mada University, Yogyakarta in 1998. He has a long history working in the banking industry. He has worked as Branch Head at Bank Ekspor Impor Indonesia prior to the merger of four state- owned banks into Bank Mandiri in 1999. Subsequently he occupied a number of important positions in Bank Mandiri, such as Senior Manager at the Corporate Risk Management and Corporate Banking (2003), Assistant Vice President (2004) and Vice President (2012). Appointed as Finance Director of Bio Farma on 12 April 2013. As of 31 December 2015 he was 50 years of age.

His legal basis of appointment as Finance Director is the Decree of the Minister of SOE No. Sk-221/MBU/2013 dated 12 April 2013. He has no affiliation with other members of the Board of Directors or members of the Board of Commissioners or the shareholders



Sugeng Raharso

Planning & Development Director

Born in Surabaya, 20 December 1959, Sugeng Raharso obtained his Bachelor of Veterinarian Studies in 1983 and his Veterinar y Professional Certification in 1984 from the Faculty of Veterinarian Studies, Bogor Institute of Agriculture. He obtained his Master of Management, majoring in Operational Management, from the Master of Management Program, Faculty of Economics and Business, Padjajaran University, in 2004. He has participated in various workshops on Biosimilar and Vaccine Technology at Finlai. He has worked in Bio Farma since he had graduated and had occupied a number of positions, such as Head of Animal Husbandry Department (1985-1989) and Staff to the Board of Directors (2002- 2007). He holds the Certified Professional Internal Auditor (CPIA) certification from the Center for Development of Accountancy and Finance – The Association of Internal Auditor. He had been appointed as Internal Audit Head (2007-2010) prior to his role as Head of Laboratory Animals Division (2010-2013). He has trained SPF Eggs Production for Measles Vaccine Substrate Production and Quality Control in Kanonji, Research Foundation for Microbial Diseases of Osaka University, Japan (1989 – 1990), workshop on Immunological Aspect os Difteria Toxin Neutralization and Antisera Production, IVAC, Na Thrang, Vietnam (1997 and 2001).

He was appointed as Director of Planning & Development of Bio Farma on 12 April 2013. As of 31 December 2015 he was 56 years old.

His legal basis of appointment as Planning & Development Director is the Decree of the Minister of SOE No. Sk-221/MBU/2013 dated 12 April 2013. He has no affiliation with other members of the Board of Directors or members of the Board of Commissioners or the shareholders.

HUMAN RESOURCES

As a company engaged in the field of vaccines and life science industries, we focus on the planning and recruitment of quality, competent and professional human resources, in the management of our human resources. The Company provides equal opportunities between genders in the coaching, development and employee career improvement programs. Employee competency improvement is done through the learning and development solutions. In addition, the Company also undertakes pattern transformation in human resource management based on information technology. The challenges ahead that Bio Farma must face are to change and push its human resources from their comfort zone in order to be ready to be transformed to face competition in the Asean Economic Community (AEC).

Human resources is the Company's main partner that is important in the growth and development of the Company on a continuous basis. Therefore, the management continues to develop employee professionalism in order to create the people of Bio Farma that is competent, professional and dignified, as well as ready to compete in a global level.

ROADMAP FOR HUMAN RESOURCES DEVELOPMENT

Bio Farma human resources management refers to the management concept of Human Capital (HC), in which the employees, as the Company's partners, are encouraged to continue to improve the quality and competence of each individual in order to be able to achieve optimum performance.

Bio Farma systematically undertakes various initiatives in welcoming the Bioeconomy era or Life Science Industry in 2030, an era where biotechnology becomes the backbone of global economic growth. In terms of human capital, the Company has drawn up the human capital development roadmap towards the Life Science Industry with the following stages:

HCMS Implementation (2012-2014) & Learning Organization Building (2015).

Human Resources Development of Human Resource system into IT based Human Capital Management System (HCMS) was introduced in the period of 2012 - 2013. The concept covers Performance Management System, Reward Management System, Talent Management System and Knowledge Management System. The HCMS implementation began in 2014-2015 and is improved continuously.

Infrastructure development and Knowledge Management System (KMS) was started in 2013. In 2014 KMS was developed into an IT-based system and the system was working well in 2015. With the established Knowledge Management infrastructure, overcomes the time and space limitation of learning and knowledge sharing; with the expectations that the culture of learning and knowledge sharing at Bio Farma to flourish and Bio Farma as a Learning Organization can be realized.

Additionally, the concepts and systems blueprint in regards to strengthening the Learning Organization is being designed as an early start to build the Learning and Development Center in 2017, of which will be developed further into a Corporate University in 2018.

Human Capital Development towards Life Science Industry Roadmap



Talent & Competency Based Development (2016)

In 2015, Talent Management System (TMS) and Competency Management starting from the preparation of the competency dictionary are integratedly designed with other related systems. TMS is focused to better manage the potential of talented employees to be able to contribute to the Company.

Supported by a competent and good Knowledge Management Infrastructure, TMS is targeted to be implemented comprehensively in 2016. With this infrastructure, the employee competence data is collected completely and easily analyzed, so that the employee development process can be carried out uniquely-specific according to the strengths and weaknesses of each employe's competence - the impact of it all, the process of employees development will be more effective and efficient.

Organization with Embedded Corporate Culture (2017)

2017 was a year of strengthening the cultural values of the Company. Beginning with the Culture Value Assessment conducted in 2013, corporate values internalization program will be designed systematically and comprehensively based on the values that emerge from inside of the organization. Through this process it is expected that the values that were built are able to be strongly attached to each employee and become the organization's culture. Other than strengthening the organization both in terms of values and competence, the Company also will be developing better infrastructure in order to create a greater impact by establishing the Bio Farma Corporate University that is currently under planning.

HC Excellent Integrated System (2018)

In 2018 the Company will be targeting all Human Capital systems - which consists of Performance Management System, Reward Management System, Talent Management System, Knowledge Management System, which are supported by a reliable IT system, coupled with the established organizational culture that is built on the internal values - to be running perfectly integrated into an excellent system in realizing a world-class company.

HR PLANNING

Bio Farma Workforce Development Strategy

To achieve the Human Capital development goals according to the roadmap that has been drawn up, the Company has established the Bio Farma Human Capital strategy as follows:

1. Implement human capital management system based on competency and performance, including for the remuneration system.
2. Prepare multi rater system for employee performance appraisal.
3. Implement the "Attract" strategy in recruiting talented prospective employees with above average competence.
4. Apply "Work Life Balance" in a range of programs.
5. Build a culture of knowledge sharing to accelerate the learning process.
6. Setting up the information technology (IT) based Human Capital Information System (HCIS) application integrated with ERP.

Employee Development Performance Bio Farma 2015

According to HRMP stages, the activities in 2015 are still in line with the HRMP program which is Learning Organization Building. This program is primarily to habituate and optimize knowledge sharing through the Knowledge Management System application. In addition, it also carried out cooperation with Formal Education Graduate Program at the Bandung Institute of Technology (ITB), which is focused on the field of Bio Technology/Life Science according to the vision of the Company. Some programs in 2016 that began at the end of 2015 including design modeling and competency dictionaries both for soft and hard competency.



Congregation prayer held in An Nur Mosque Bio Farma

Throughout 2015, the implementation of strategic HR initiatives is as follows:

1. The Company's information technology systems has been completed as a foundation for HCMS application at Bio Farma.
2. Sending selected employees to participate in formal education graduate programs directed at the specificity of Bio Technology and organized training both soft-skill and hard-skills, which supports the business plans.
3. The process of optimization of individual working capacity by carrying out work load analysis in advance for all positions in hoping to map out the work and contribution of every employee toward end results.
4. Test the entire system related to HCMS has been completed through mini projects.
5. Bio Farma core competency establishment which consists of: Affordable life science product, green process / product, global marketing, employee engagement, inovation.
6. The internalization and externalization of Corporate Culture, Vision, Mission and Values in a sustainable manner.
7. The habit of knowledge sharing among employees who have specific expertise and/or employees who have been trained.
8. Knowledge system through the IT media.

Recruitment

The Company carries out recruitment based on the formation management set out in the Company Work and Budget Plan (RKAP) in line with the organizational business growth and development. Bio Farma applies equal opportunities for male or female job applicants. The Company also gradually offers employment opportunity for people with disabilities starting in 2014.

The recruitment process is open and without discrimination for each person meeting the requirements. In order to provide the widest possible employment opportunities, the recruitment process was announced publicly through a variety of national and local mass media (Harian Pikiran Rakyat, Kompas, Media Indonesia), electronic media (the Company's website, Facebook and Twitter, SOE portal, radio) as well as through job fair events and roadshows to various universities.

In general, the policy of recruiting new employees are as follows:

1. Job vacancies are published in the mass media.
2. Collaborate with universities/educational institutions
3. Registration of candidates is done through the website: www.biofarma.co.id on the career menu link.
4. Selecting associated candidate's academic requirements performed by the system automatically.
5. Verification and interviews.
6. Psychological Selection Tests in the form of a psychological test conducted by a third party to maintain independence.
7. Comprehensive Medical Test is the final determinant of candidates selection.

Performance Management

Bio Farma designed performance appraisal namely the Multi Rater System or or the 360-degree feedback system replacing the previous 90-degree feedback system (employee assessment by their direct supervisor). Through this system, the performance of an employee is assessed by superiors, subordinates, equal partners and stakeholders (customers internal/ external) in order to obtain a more objective result.

360-degree performance appraisal system has been implemented in an application since 2014 and has conducted online test-runs starting in 2015.

Employee performance appraisal related to promotions are as follows:

1. Related division filed a to fill the formation of reports a vacancy to the Director of Human Resources
2. Human Capital Division advertises vacancies through the intranet to the internal website for all work units.
3. Employees who apply and meet the administrative candidate requirements are selected and must undergo written tests.
4. Candidates who pass the written test are required to make a presentation and tested by a panel of assessors.
5. Candidates who pass the selection are recommended to the HR director to be decided whether the candidate is promoted, postponed or reassessed.



Bio Farma have officially launched Work-Life-Balance program in January 2015. This program is a concept of moral intelligence and motivation that will create a balance in work, self management, self motivation, and responsibility.

Corporate Culture

Corporate culture plays an important role in achieving the Company's vision, mission, goals and objectives. Hence, all employees are required to understand and apply them daily, especially in the workplace. Along with the demands of our globally oriented business, Bio Farma has carried out an evaluation of the Company's culture by conducting a survey in 2014 to explore and create values based on employee perception that will be used to design an organizational value internalization program in a systematic and comprehensive manner. The workforce contributed to this process and it is expected to become a strong positive culture to promote the Company's growth and achieve its new vision, mission and values which are as follows:

1. Professional: Committed to being responsible, efficient, effective, future-oriented and to abide by work procedures.
2. Integrity: To be honest, transparent and credible in accordance with the Company's purposes.
3. Teamwork: To build a strong teamwork with respect of other roles and opinions.
4. Innovation: To make improvements and continuous development to generate new ideas.
5. Customer Oriented: Understand customers' needs and provide proper solutions.

In order to deepen understanding of the corporate culture, in 2014 Bio Farma has implemented a gradual internalization to all employees and socialized it publicly to the Company's guests and suppliers through its website.

Remuneration

Bio Farma offers a competitive remuneration system by considering the wage levels in similar industries, labor regulations, provincial minimum wage (UMP) provisions and the Company's ability. Bio Farma ensures that the minimum wage for its workforce is above the provincial minimum wage. In addition, there is no remuneration policy that discriminates between male and female employees across all job levels.

Competitive remuneration will retain a highly-competent-competence workforce. The given remuneration is based on a fair performance assessment. It continues to develop the remuneration system to be in line with the Company's business development. The Human Capital Division develops a performance and competency-based remuneration system in 2014. The total rewards received by the employees include:

1. Pay For Person (compensation of competencies),
2. Pay For Position (compensation for work),
3. Pay For Performance (compensation for performance), and
4. Incentives.

Workforce payroll system is applied by grade and job level, from grade 17 (lowest) to grade 2 (highest). The following table shows the monthly wage (Take Home Pay) in December 2015.

Employee Gross Monthly Income Based on Position Level and Grade

		2014		2015	
	GRADE	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
Division Head	6-2	15,845,847	28,081,906	23,516,202	30,975,418
Department Head	8-3	10,815,727	19,937,323	12,393,042	21,653,705
Section Head	12-3	5,856,204	16,397,396	9,634,826	18,388,485
Staff	9-5	6,253,860	8,338,027	5,777,460	9,471,683
Junior Staff	13-5	4,407,853	11,246,004	5,164,770	13,163,544
Operation Staff	17-7	3,396,621	9,089,201	3,971,733	10,865,530

Workforce Welfare

Bio Farma provides various benefits to its employees as part of the remuneration package. The benefits take the form of holiday allowance, welfare allowance, paid annual leave, holiday entitlement, uniform allowance, and annual (production) bonus.

Other than benefits mentioned, employees also receive other facilities, such as medical treatment (both outpatient and inpatient), cafeteria, sports facilities, places of worship and recreation.

In providing basic rights to the employees, Bio Farma has determined:

1. Types of leave: holiday entitlement, paid annual, sick, maternity, menstruation, abortion, religious and unpaid leaves. Employees are entitled to obtain permission and take leave for important reasons in accordance with the prevailing regulations.
2. Retirement plans with defined contribution and benefits of monthly income, superannuation, life insurance, and healthcare.

Basically all employees, both permanent or contract, receive all incentives/bonuses. Uniform Allowance and Holiday Entitlement however are not provided to contract employees.

TRAINING AND DEVELOPMENT

The Company designs and develops workforce training programs on an ongoing basis to maintain performance quality and increase competency. Each employee has an equal opportunity to improve their competencies based on their respective potentials, abilities and skills. Bio Farma conducts various training in-house as well as external training at selected educational institutions. Trainings that are provided include competency training, technical/ functional skill development, mandatory expertise certifications, management training and knowledge sharing sessions. The Company also provides scholarships to its employees to pursue postgraduate studies. Training and development activities in 2015 were as follows:

1. Training

   The Company held 375 training programs in 2015, with 18 training session held based on current needs of the organization and future business plans. There were 365 training that were based on divisions' needs related to technical competencies. Among the training were the Update of Good Manufacturing Practices (GMP), Environment Health & Safety Behavior, Character Building Training, Emotional Spiritual Quotient, Executive English Class with Native Speakers, Public Speaking, Career Transition Program, Team work, Communication Skill, Microsoft Office, AutoCAD, Creative Design Presentation and Customer Service Orientation, Financial Planning, Problem Solving, Organization Management, Competency Management, ISO 27001: 2013, and other thematic public training.

TYPE OF TRAINING	TRAINING BASIS	NUMBER OF PROGRAMS	NUMBER OF PARTICIPANTS
ORGANIZATIONAL COMPETENCY	Organizational competence needs	18	1,524
DIVISIONAL COMPETENCY	*Division technical/hard-skills competence needs*	365	1,253

The total training days for total participants were 8 mandays. Which means that on average, each employee participated in Bio Farma's training for 8 days in a year, or equivalent to 4 times of training (assuming average training duration of 2 days).

2. Formal Education Postgraduate Scholarship

   Bio Farma provides scholarships to its employees to pursue graduate and postgraduate studies. Majors are chosen according to the Company's strategic plan for organizational development, management and product development. Thus, the thesis or dissertation will not merely be a basic research, but a valuable practical business study for the employees. Bio Farma dispatches its employees to attend graduate programs at various universities which have research collaborations with the Company, so that it has a distinct selling value and contributes to the acceleration of the Company's research. In 2015 there was 1 (one) employee receiving doctorate scholarships at the University of Melbourne (lecture and research studies), 1 (one) employee taking up doctorate study at Padjajaran University and 6 (six) employee taking up post graduate studies at Bandung Institute of Technology (ITB).

3. Knowledge Management

   Knowledge management aims to secure the knowledge assets owned by the Company. It includes identifying knowledge resources, knowledge storage and knowledge dissemination. Activities in knowledge management include:

   a. Knowledge Exchange
      This is knowledge sharing among skilled employees through presentations or coaching sessions. These activities also include exit interviews for retiring employees in order to provide knowledge to future generations. There were 19 Knowledge Exchange events held in 2015.
   b. Community of Practice (CoP)
      This is a sharing process among the internal workforce community to discuss a specific technical problem which aims to collect knowledge from other disciplines to formulate solutions. There was 1 CoP event held during 2015.
   c. Lesson-Learned Sharing
      This is knowledge sharing event following a particular training session outside the Company (public training) or benchmarking. The knowledge learned has to be shared and implemented in order to distribute equal knowledge in particular in each work units. Employee participation in this program reached 65% of public training realization, with a total of 476 contributors.



Bio Farma is appointed as the Center of Excellence in Vaccine among the Organization of Islamic Cooperation (OIC). Bio Farma is also active in vaccine producer association from developing countries namely the Developing Countries Vaccine Manufactures Networks (DCVMN).

Development Programs & Realization

I. TOP MANAGEMENT TRAINING					
YEAR	**2011**	**2012**	**2013**	**2014**	**2015**
Planning	150	117	177	103	64
Actual	87	49	129	50	49
II. Staff / Management Tarining					
Planing	202	64	148	139	432
Realization	181	51	117	30	375
III. Formal Planning and Realization (in Million Rupiah)					
Planning	3,567	4,158	6,444	7,839	2,500
Actual	4,056	3,968	5,111	3,775	1,437
Number of Participants of Formal Education					
Domestic	20	1	1	1	7
Overseas		2	2	1	1

EMPLOYEE COMPETENCY DEVELOPMENT EXPENDITURES

The total expenditures for Bio Farma's employee competency development in 2015, including formal education and training, were as follows:

1. The budget for formal education programs was Rp 2.5 billion with a realization of Rp 1.43 billion (57.2%) used to finance employees' ongoing postgraduate education.
2. The budget for training program was Rp 20 billion with a realization of 118.5% to finance training activities, seminars and workshops in 2015.

The Total Cost For Employee Competency Development In 2015 Is Rp 20 Billion.



Cost of Employee Competence Development and Number of Participants

Year	2011	2012	2013	2014	2015
Cost					
Domestic	972,764,500	1,593,634,460	5,236,670,299	4,025,550,883	12,000,000,000
Overseas	559,227,360	1,049,928,981	1,629,923,768	1,689,115,734	8,000,000,000
Number of Training Participants					
Domestic	213	182	196		1,147
Overseas	43	38	40		141

Industrial Relations

Bio Farma recognizes its employees' freedom to establish unions within the Company's area. Employee freedom to gather and associate is in compliance with the Employment Law No. 13/2003 and ILO Conventions No. 87 and 98.

On 1 April 1999, the employees of PT Bio Farma (Persero) formed an organization called the Employees Association (HIKA) PT Bio Farma (Persero) and on 5 April 2010, another organization called the Employees Communications Forum (Forwan) was formed. The Company encourages the existing unions to be managed professionally to serve as a liaison between the employees and the Company to foster a harmonious relationship and bring mutual benefits to all parties.

The most recent negotiation between the Labor Unions and the Company took place in 2012, in which the current Collective Labour Agreement (CLA) for the period of 2012 to 2014 was agreed. The CLA was subsequently registered as stipulated in the Decree of the Head of the Office for Manpower and Transmigration of West Java No. 568/07/PKB/Perlind/2012.

Awards for Employees

The Company confers awards to its employees that have shown exceptional achievements, dedication and professionalism at work. Each year, Bio Farma rewards exemplary employees with the Hajj and Umrah pilgrimage, and gives rewards to those with over 20 years of dedication to the Company, as well as gives awards to blood donors. Here is the list of awards and the number of award recipients in 2015.

TYPE OF REWARD	NUMBER OF PARTICIPANTS 2013	NUMBER OF RECIPIENTS 2014	NUMBER OF RECIPIENTS 2015
Hajj	3 and partners	3 and partners	3 employees and partners
Umrah	5	11 and partners	3 employees and partners
20 Years of Service Award	22	16	6 employees
Blood Donor	37	31	39 employees

Work-Life Balance (WLB)

Work-life balance is a concept of work without ignoring other aspects of life aside from work. This includes prioritizing personal, family, spiritual and social life to take full responsibility and contribute fully to the work. Recognizing the importance of quality in employment, the Company pays attention to both the physical and emotional wellbeing of its employees. In 2014, Bio Farma formed a special Work-Life Balance team, namely the Healthy Living Paradigm Team. This team is tasked to formulate the programs for the employees and is responsible for evaluating its implementation.

Five important aspects of the healthy living paradigm program according to Bio Farma's philosophy of 'Dedicated to Improve the Quality of Life' include the aspects of personal life, work life, religious life, family & community life, and culture. In addition to improving life quality, the Company also pays attention to creating a HAPPY (Healthy, Balanced & Enthusiastic) workforce.

Human Resources Development Plan in 2015

Bio Farma's human resources development will be integrated with the Company's entire business operations. In 2015, training programs and human resources development will refer to competency-based training for personal and divisional levels. The goal is to fill workforce competency gaps, requirements of compliance with standard unit of competency, and development of structured human resources through continuous learning, knowledge sharing and knowledge dissemination.

HUMAN RESOURCES PROFILE

Bio Farma employed 1,127 permanent employees, 430 contract employees and 200 outsourced employees as at 31 December 2015. There was an 9.5% increase in the number of permanent employees in 2015 from 2014, where there were 1,029 permanent employees.

The Company's breakdown of HR Profile for the past five years is provided as follows:

Employee Composition by Directorate

DIRECTORATE	2011	2012	2013	2014	2015
Main	143	83	77	97	102
Finance	102	58	57	61	63
Marketing	78	76	83	82	87
Human Capital	-	110	126	126	148
Production	327	369	405	450	489
Planning & Development	202	225	205	213	238
Total	**852**	**921**	**953**	1,029	1,127

Employee Composition by Position Level

POSITION	2011	2012	2013	2014	2015
Division Head	20	22	23	23	25
Main Expert	-	-	2	5	7
Department Head	59	58	55	58	66
Middle Expert	18	18	26	39	38
Section Head	137	125	123	129	159
Junior Expert	20	23	32	33	40
Staff	105	102	95	103	107
Junior Staff	106	109	120	132	135
Researcher Matrix	387	419	439	475	517
Portfolio Management Team	-	4	4	-	-
Proj Integration Mng	-	2	2	2	3
Research Coordinator	-	2	1	1	1
Researcher	-	4	5	5	5
Junior Researcher	-	21	14	13	13
Operation Staff	-	12	12	11	11
Total	**852**	**921**	**953**	1,029	1,127

Employee Composition by Years of Service

YEARS OF SERVICE	2011	2012	2013	2014	2015
0-5	271	326	316	333	443
6-10	187	197	194	261	198
11-15	160	147	174	162	172
16-20	105	108	118	119	150
21-25	52	63	68	79	91
26-30	63	62	54	48	31
>= 31	14	18	29	27	42
Total	**852**	**921**	**953**	1,029	1,127

Employee Composition by Age

AGE	2011	2012	2013	2014	2015
<20	-	-	-	-	-
21-25	36	43	27	43	74
26-30	150	171	193	221	250
31-35	186	201	210	228	221
36-40	185	166	172	165	188
41-45	159	192	189	201	197
46-50	96	102	112	112	125
>=51	40	46	50	59	72
Total	**852**	**921**	**953**	1,029	1,127

Employee Composition by Education Level

EDUCATION	2011	2012	2013	2014	2015
S3	2	2	2	1	1
S2	41	44	43	44	49
S1	207	231	234	262	282
D3	152	157	170	189	220
High School	450	487	504	533	575
Total	**852**	**921**	**953**	1,029	1,127

Employee Composition by Gender

GENDER	2011	2012	2013	2014	2015
Male	654	716	747	810	880
Female	198	205	206	219	247
Total	**852**	**921**	**953**	1,029	1,127



Employee Composition by Employment Status

EMPLOYMENT STATUS	2011	2012	2013	2014	2015
Permanent Employees	852	921	953	1,029	1.127
Contract Employees	326	311	376	421	430
Outsourced Employees	101	152	164	190	200
Total	**1,279**	**1,384**	**1,493**	**1,640**	**1,757**

Employee Composition by Expertise (Field of Work)

FIELD OF WORK	2011	2012	2013	2014	2015
Administration	124	68	74	86	91
Finance	49	49	45	46	46
Marketing	77	76	83	80	86
Production	274	319	352	394	489
QA	47	50	43	45	46
QC	79	86	86	91	95
R&D	44	59	52	54	60
Supporting	158	214	218	233	214
Total	**852**	**921**	**953**	**1,029**	**1,127**

Recapitulation of Employees of PT Bio Farma (Persero) 2011-2015 by Position & Gender

	2011		2012		2013		2014		2015	
POSITION	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Division Head	15	5	16	6	14	9	14	9	17	8
Main Expert	-	-	-	-	2	-	4	1	5	2
Department Head	31	28	30	28	31	24	32	26	40	26
Middle Expert	14	4	16	2	22	4	30	9	29	9
Section Head	94	43	84	41	83	40	85	44	105	54
Junior Expert	14	6	16	7	19	13	19	14	23	17
Staff	52	53	55	47	48	47	57	46	56	51
Junior Staff	73	33	79	30	89	31	98	34	97	38
Operation Staff	361	26	393	26	414	25	450	25	487	30
Portfolio Management Team	-	-	3	1	3	1	-	-	-	-
Proj Integration Mng	-	-	-	2	1	1	1	1	1	2
Research Coordinator	-	-	2	-	1	-	1	-	1	-
Researcher	-	-	2	2	4	1	4	1	4	1
Junior Researcher	-	-	8	13	4	10	4	9	4	9
Operation Staff	-	-	12	-	12	-	11	-	11	-
Total	**654**	**198**	**716**	**205**	**747**	**206**	**810**	**219**	**880**	**247**
	852		**921**		**953**		**1,029**		**1,127**	

Gender Balance in Bio Farma's Workforce

Bio Farma upholds gender equality and fair employment. It provides a great chance and encourages anyone to apply for a position regardless of their gender. Currently the number of women in the workforce is 247, and 30% of the Company's female employees hold professional positions (Junior Expert, Middle Expert, Main Expert), and managerial (Section Head, Department Head, Division Head.



SHAREHOLDING COMPOSITION



100%

GOVERNMENT OF THE REPUBLIC OF INDONESIA

Bio Farma is a Non-Financial Non-Listed Company of which its share is 100% owned by the Government of the Republic of Indonesia.

LIST OF SUBSIDIARIES AND/OR ASSOCIATED ENTITIES

As at 31 December 2015, Bio Farma had no subsidiaries and/or associated entities. Hence Bio Farma does not disclose information about subsidiaries and/or associated entities, shareholder composition percentage, description on subsidiaries' business sectors and/or associated entities and subsidiaries' operational status and/or any associated entities (whether operational or yet to be operational).

COMPANY GROUP STRUCTURE

As at 31 December 2015, Bio Farma had no subsidiaries and/or associated entities, joint ventures, or other special purpose vehicles (SPVs), and thus Bio Farma has no corporate group structure that can be portrayed as a diagram of itself with subsidiaries, associated entities, joint ventures, or special purpose vehicles (SPVs).

SHARELISTING CHRONOLOGY

SHARE PERFORMANCE & SHARE LISTING CHRONOLOGY

Share Ownership Composition

As on 31 December 2015, Bio Farma is not a publicly listed company so the public, the Board of Directors, or the Board of Commissioners of Bio Farma do not have the shares of Bio Farma. The Company is entirely or 100% owned by the Government of the Republic of Indonesia.

Share Performance

As on 31 December 2015, Bio Farma is not a publicly listed state-owned enterprise, which means it has not listed its shares on the Indonesia Stock Exchange. Therefore, there was no pertinent information regarding total number of shares outstanding, market capitalization, highest, lowest, and closing prices of the traded shares, or the transaction volume.

Sharelisting Chronology

As on 31 December 2015, Bio Farma is not a publicly listed state-owned enterprise, which means it has not listed its shares on the Indonesia Stock Exchange. Therefore, there was no pertinent information regarding sharelisting chronology, corporate actions, changes in the number of shares, or the exchange on which the Company's shares would be listed.

LISTING CHRONOLOGY OF OTHER SECURITIES

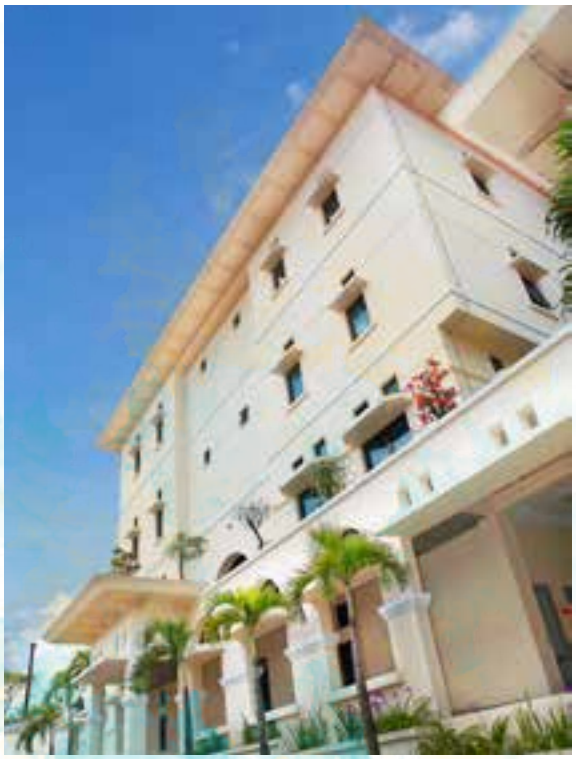
SUMMARY OF BONDS/SUKUK /CONVERTIBLE BONDS AND THE LISTING CHRONOLOGY OF OTHER SECURITIES

Summary of Bonds/Sukuk/Convertible Bonds

Bio Farma has never issued any bonds/sukuk/ convertible bonds, and therefore it has no pertinent information regarding the amount of bonds/sukuk/ convertible bonds outstanding, interest rate, maturity date of such securities, or the rating of such securities.

Listing Chronology of Other Securities

Bio Farma has not issued securities in any form, and therefore it has no pertinent information regarding the listing chronology of securities, corporate actions, changes in the number of securities, the exchange on which the securities are listed, or the rating of such securities.



NAMES AND ADDRESSES OF CAPITAL MARKET SUPPORTING PROFESSIONAL INSTITUTIONS

Bio Farma as on 31 December 2015 did not use the services of any share registrar to administer the Company's shares, securities rating agency, or public accountant.

As at 31 December 2015 Bio Farma has appointed Public Accountant Office.

Supporting Professional Institutions:

- **PUBLIC ACCOUNTANT OFFICE**
  Djoemarma, Wahyudin & Rekan
  Jl. Dr. Slamet No. 55, Bandung
  Tel. (62-22) 203 4044
  Fax. (62-22) 203 7466
  E-mail: kapdw@yahoo.com
- **NOTARY**
  Fathiah Helmi, SH.
  Graha Irama Lt. 6C
  Jl. H.R. Rasuna Said Blok X-1 Kav. 1&2, Kuningan
  Jakarta 12950
  Tel. (62-21) 5290 7304/5290 7305/5290 7306
  Fax. (62-21) 526 1136

SUBSIDIARIES AND/OR BRANCH OFFICES OR REPRESENTATIVE OFFICES

Bio Farma as on 31 December 2014 did not have any subsidiary or branch office. It had one representative office located at Gedung Pakarti Centre, Jl. Tanah Abang III No. 23-27, Jakarta.

National & international supply and distribution via:

- **PT BIO FARMA**
  Jl. Pasteur No. 28
  Bandung 40161
  Indonesia
  Tel. (62) 2033755/ 37102
  Fax. (62) 22 204 1306
  E-mail: sales@biofarma.co.id

AWARDS AND CERTIFICATIONS

AWARDS



1 2 3 4

1

Innovation for Domestic Medicine Development

11 February 2015

Bio Farma received an award from Food & Drugs Supervision Agency (BPOM) for the active innovation of domestic medicine development. The award is bestowed by Coordinating Minister of Human Empowerment and Culture, Puan Maharani, and received by Bio Farma President Director, Iskandar.

2

Green Era Award 2015

23 March 2015

Other ways Association Management & Consulting. The Green Era Award is given to companies that develops innovation and committed in environmental management.

3 - 7

Indonesia Green Award category: Water Resource Conservation

4 June 2015

Bio Farma received the 2015 Indonesia Green Award from La Tofi School of CSR for the Water Resource Conservation category.

Indonesia Green Award category: New and Renewable Energy Development

4 June 2015

Bio Farma received the 2015 Indonesia Green Award from La Tofi School of CSR for the New and Renewable Energy Development category.



5 6 7



8

Indonesia Green Award category: Biodiversity Development

4 June 2015

Bio Farma received the 2015 Indonesia Green Award from La Tofi School of CSR for the Biodiversity Development category.

Indonesia Green Award category: Pioneering In Polution Mitigation

4 June 2015

Bio Farma received the 2015 Indonesia Green Award from La Tofi School of CSR for the Pioneering In Polution Mitigation category.

Indonesia Green Award category: Developing Integrated Waste Management

4 June 2015

Bio Farma received the 2015 Indonesia Green Award from La Tofi School of CSR for the Developing Integrated Waste Management category.

Best of Indonesia Green Award:

4 June 2015

Bio Farma again achieved the Best of Indonesia Green Awards 2015 from La Tofi School of CSR.

8

Zero Accidents Award

31 August 2015

Bio Farma received an award from the Republic of Indonesia Ministry of Manpower for achievements in occupational health and safety (OHS) program implementations. The award was bestowed by the Department of Labor Bandung.



9



10



11

9

BUMN Marketers Award 2015 for the Silver Category in Best Tactical Award

5 September 2015

Bio Farma achieved the Silver Category award in the BUMN Marketers Award 2015 for best tactical award held by Insight, MarkPlus, The Jakarta Chief Marketing Officer Club (CMO), and Indonesia Marketing Association (IMA).

10

BUMN Marketers Award 2015 Silver Category in the Best Strategic Award

5 September 2015

Bio Farma achieved the Silver Category award in the BUMN Marketers Award 2015 for the Best Strategic Award held by BUMN Insight, Mark Plus, The Jakarta Chief Marketing Officer Club (CMO), and Indonesia Marketing Association (IMA).

11

Primaniyarta Award

21 October 2015

Bio Farma awarded the Primaniyarta Award 2015. It was the sixth time in a row Bio Farma has received the award since 2010.

The award was presented by President Joko Widodoto the Production Director of Bio Farma, Juliman, accompanied by Minister of State Owned Enterprises, Rini Soemarno, Minister Commerce, Thomas Trikasih Lembong, and leaders of state institutions, as well as Embassy representatives for the Bio Farma Director of Production Juliman.

Bio Farma is one of the 30 Indonesian exporters that have been honored with the 2015 Primaniyarta Award, and one of seven companies in the category for Outstanding Performance Exporter Domestic Owned Share (PMDN).



12



13



14

12

Annual Report Award

22 September 2015

In order to encourage domestic companies to implement Good Corporate Governance (GCG) principles, Bio Farma managed to get 3rd place in the category of Non-Finance Non-Listed SOEs.

ARA award is held in cooperation with seven agencies, namely, the Financial Services Authority (OJK), the Ministry of State Owned Enterprise, Bank Indonesia, Directorate General of Taxation, National Committee on Governance, BEI, and the Indonesian Accountants Association.

13

1st Runner Up Tropical Building Category

07 October 2015

Bio Farma Public Building II won 1st Runner up Tropical Building Category, at the ASEAN level. This award is best owed in the Gala Dinner of the 33rd ASEAN Ministers of Energy Meeting, in Kuala Lumpur, Malaysia.

14

Bio Farma Received Infobank Award BUMN 2016

23 Oktober 2015

Infobank Magazine again held the award for SOE in 2016 at the Shangrila Hotel Jakarta, Friday, 23 October 2015. For the sixth year of the award, this year Bio Farma won the 2015best of the best award, Golden Trophy Infobank category.



15 16 17

15

Bio Farma Again Achieved Gold PROPER

23 November 2015

PT Bio Farma (Persero) has achieved Gold PROPER for the second time from the Ministry of Environment and Forestry (KLHK) bestowed by the Vice President, Jusuf Kalla, received by the Director of Finance Bio Farma, Pramusti Indrascaryo.

Gold PROPER is the highest award in the field of environment which means that a company has implemented a comprehensive environmental management and sustainable.

16

Bio Farma Received Sustainability Report Award 2015

15 December 2015

Closing the year 2015, PT Bio Farma (Persero) awarded the first runner up in the Manufacturing category Sustainability Report Award 2015 from the National Center for Sustainability Reporting (NCSR). Second award received by Bio Farma since 2014 is the result of sustainability report which refers to the Global Reporting Initiative (GRI) version 4 standard, which includes economic, social and environmental aspects.

17

Bio Farma received the 2015 Public Disclosure award

15 December 2015

Bio Farma again awarded the 2015 Public Disclosure award from the Central Information Commission. The award was bestowed by President Joko Widodo to the Bio Farma Director of Production, Juliman, at the State Palace. This is the third award since 2013, as well as Bio Farma's commitment to implement the Law No. 14 year 2008 about Public Information Transparency (KIP), which requires the State Owned Enterprises to disclose information to the public. With a score of 89.8 Bio Farma is ranked second in the SOE public bodies category, followed by PT PLN at third place and PT TASPEN in first place.



18



19

18

Bio Farma Received an award at the 4th National Energy Efficiency Award 2015

2015

Bio Farma received an award from the Ministry of Energy and Mineral Resources of the Republic of Indonesia for the category of Energy Management in Industry & in Large Industrial Building on the 4th National Energy Efficiency awards 2015.

19

West Java Regional Blue PROPER

22 December 2015

Bio Farma achieved the Blue award from West Java BPLH for the Cisarua animal breeding program.

CERTIFICATION

I. Recognition from the World Health Organization (WHO)

1. Polio Virus Vaccine
   Given on 9 April 1997, no Expiry date.

2. Measles 10 doses
   Given on 9 April 1997, no Expiry date.

II. CPOB Certificate (Good Manufacturing Practice) from Food & Drugs Supervision Agency of the Republic of Indonesia (BPOM-RI)



1. Given on 4 April 2011, valid until 4 April 2016

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2. Given on 4 April 2011, valid until 4 April 2016.



3. Given on 16 September 2013, valid until 16 September 2018.



4. Given on 16 September 2013, valid until 16 September 2018.



5. Given on 29 April 2014, valid until 31 March 2019.



6. Given on 29 April 2014, valid until 31 March 2019.



7. Given on 29 April 2014, valid until 31 March 2019.



11. Given on 29 April 2014, valid until 31 March 2019.



8. Given on 29 April 2014, valid until 31 March 2019.



12. Given on 29 April 2014, valid until 31 March 2019.



9. Given on 29 April 2014, valid until 31 March 2019.



13. Given on 29 April 2014, valid until 31 March 2019.



10. Given on 29 April 2014, valid until 31 March 2019.



14. Given on 29 April 2014, valid until 31 March 2019.



15. Given on 29 April 2014, valid until 31 March 2019.



16. Given on 29 April 2014, valid until 31 March 2019.



17. Given on 14 January 2015, valid until 14 January 2020.



18. Given on 14 January 2015, valid until 14 January 2020.

III. Certificate from Lloyd's Register Quality Assurance Ltd. Certification Body, Singapore



19. Valid until 12 July 2018.

IV. Occupational, Health And Safety Management System OHSAS 18001:2007 from Lloyd's Register Quality Assurance Ltd. Certification Body, Singapore



20. Valid until 12 July 2018.

V. Certificate from Lloyd's Register Quality Assurance Ltd. Certification Body, Singapore



21. Valid until 30 June 2016.

VI. Laboratory Accreditation from WHO Regional South East Asia



VII. Vaccine Vial Monitor Certificate from World Health Organization (WHO)



VIII. Bill & Melinda Gates Foundation Certificate of Appreciation from Bill & Melinda Gates Foundation



IX. Geopark Cileutuh from Indonesian National Commission for UNESCO, Ministry of Education and Culture



22. Geopark Cileutuh fostered by Bio Farma received certification as a National Geopark according to UNESCO standards. PT Bio Farma (Persero) collaboration with Department Of Culture And Tourism & West Java Government Office. Given on 22 December 2015, no expiry date.

X. Immunology External Quality Strengthening Program from Medical & Health Development Support Service



23. Bio Farma received certification after following the Immunology External Quality Strengthening Program. Given on 21 April 2015, no expiry date.

XI. Laboratorium Extra Quality Strengthening Program Indonesian Doctors Association of Specialist in Clinical Pathology and Medical Laboratory (PDS PatKLIN) in the field of Micobiology from PDS PatKLIN



24. Bio Farma received certification after following the Laboratorium Extra Quality Strengthening Program by Indonesian Doctors Association of Specialist in Clinical Pathology and Medical Laboratory (PDS PatKLIN) in the field of Micobiology. Given in June 2015, no expiry date.

XII. Laboratorium Extra Quality Strengthening Program Indonesian Doctors Association of Specialist in Clinical Pathology and Medical Laboratory (PDS PatKLIN) in the field of Hematology, Clinical Chemistry, Coagulation from PDS PatKLIN



25. Bio Farma received certification after following the Laboratorium Extra Quality Strengthening Program by Indonesian Doctors Association of Specialist in Clinical Pathology and Medical Laboratory (PDS PatKLIN) in the field of Micobiology. Given in August 2015, no expiry date.

SIGNIFICANT EVENTS

15 JANUARY 2015

WLB Launching&inauguration of the President Director as the WLB Ambassador

In order to increase awareness and implementation of WLB in Bio Farma, the Company Launched the WLB Program.



21 JANUARY2015

Car Emission Test

Bio Farma held the Vehicle Exhaust Emission Test. This acts as one of the Company's commitment and compliance with the environmental regulations in order to create a clean emission in the Company's area. Emissions Testing for this year, Emission Tests was also done to motorcycles.



30 JANUARY 2015

vaccine flu complimentary for employees

There is still a chance to protect the family to be free of influenza throughout the year. Bio Farma facilitates employees and families with flubio vaccination.



3-4 FEBRUARY 2015

Motorcycle Emission Test

Bio Farma organized Exhaust Emission Test for motorcycles. This activity is one of the Company's commitments in environmental protection by creating the clean emission in the Company's area. Bio Farma is recorded as the first company in West Java that perform the Motorcycle Vehicle Emissions Testing.



11 FEBRUARY 2015

Domestic Medicine Development Innovation Award

Bio Farma received an award from BPOM for its active role in the innovation of domestic medicine development.



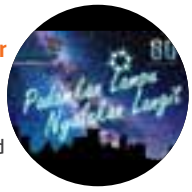
23 MARCH 2015

Green Era Award 2015

Other ways Association Management & Consulting. The Green Era Award is given to companies that are in innovation development and committed in environmental management.



30 MARCH 2015



Bio Farma Participated in Earth Hour 2015

PT Bio Farma (Persero) held Earth Hour, a global event organized by World Wide Fund for Nature (WWF) which is annually held simultaneously around the world on the last Saturday in March. This year Earth Hour activities in Bio Farma took the theme "Padamkan Lampu Nyalakan Langit"that was held on 28 March 2015. The activities consisted of turning off the electricity for one hour in the office area of Bio Farma and campaigns for employees to participate in the Earth Hour 2015 movement by turning off the lights for one hour at the respective residences. For Bio Farma this was held for the third time, since 2013.

8 APRIL 2015



PT Bio Farma (Persero) and the Financial and Development Supervisory Agency of West Java Province (BPKP) signed a Memorandum of Understanding (MoU)

PT Bio Farma (Persero) and the Financial and Development Supervisory Agency of West Java Province (BPKP), re-signed a Memorandum of Understanding (MoU) on Wednesday, 8April 2015, which is held in the Administration Building II, Bio Farma Bandung. Second MoU after the year 2012 is a agreement of support from BPKP West Java to Bio Farma, in the form of Good Corporate Governance (GCG), Risk Management, Key Performance Indicators, the implementation of the Fraud Control Plan, Financial Information Systems, Asset Management, Procurement of goods and services, evaluation and development of internal control systems and business processes as well as education and training in the latest internal control. Memorandum of Understanding signed by the President Director of Bio Farma, Iskandar, with the Head of BPKP West Java Hamonangan Simarmata, and witnessed by the President Commissioner of PT Bio Farma, Ahmad M Ramli, and Deputy State Accountant, Billy Darmasto, as well as a range of structural and functional officials from both parties, the MoU is aimed to cooperate in Development, Implementation and Strengthening of Good Corporate Governance in PT Bio Farma (Persero).

13-15 APRIL 2015



Bio Farma strengthened and realized the research efforts of downstream products to the industries, building synergy with research institutes, universities and, with the signing of the MoU

Bio Farma strengthened and realized efforts for downstream research products to the industries, building synergy with research institutes and universities, with the signing of Memoranda of Understanding, which was held in the "National Innovation Forum (NIF) 2015" organized by Ministry of Research and Technology, and Higher Education of Republic of Indonesia on Monday, 13 April 2015 at Graha Widya Bhakti Puspiptek area, Serpong, South Tangerang.

On this occasion the President of Indonesia, Joko Widodo, together with Minister of Research and Technology and Higher Education of Republic of Indonesia, Mohamad Nasir, was present and witnessed firsthand, the signing of a Memorandum of Understanding between Bio Farma with various institutions, as well as several universities. One is is a Memorandum of Understanding on "Assessment and Application of Science and Technology, in the Field Development and Production of Hepatitis B vaccine based on Protein Recombinant" with the Agency for the Assessment and Application of Technology (BPPT), Eijkman Molecular Biological Institute, Indonesian Institute of Sciences (LIPI), Bandung Institut of Technology (ITB), and University of Al-Azhar. In addition, President Director of Bio Farma, Iskandar, also signed a Memorandum of Understanding with LIPI, and Gadjah Mada University in Biological Eritopoetin product development (EPO). In his speech, the President said that the clear concrete cooperation and collaboration between researchers, businesses, and universities can provide a clear manifestation and produce a variety of products that are beneficial to the people.

16 APRIL 2015



Free Medical Treatment in Cikopomayak Village and Neglasari in Jasinga District

Located in the village of Cikopomayak and Neglasari in Jasinga District, Bio Farma held free Medical treatment for public in the form of 1,500 treatment packages, 500 supplementary food packages, 500 packages of hygienic and healthy behavior, as well as dental examination. The event was attended by Andjang Kusumah, HR Director who oversees the CSR Division along with the Team.

30 APRIL - 3 MAY 2015

The 9th International Conference on Typhoid & Invasive Non-Typhoid Salmonella Disease







The 9th International Conference on Typhoid & Invasive Non-Typhoid Salmonella Disease exposed the research results of typhoid vaccine to approximately 200 health stakeholders from all over the world. The exposure of research results Bio Farma for the typhoid vaccine showed progress, even an acceleration in the manufacturing of typhoid vaccines and invasive non-typhoid Salmonella (INTS). And apparently, Bio Farma will immediately able to produce typhoid conjugate vaccine ward off typhoid and INTS.

8 MAY 2015

Media Workshop The Second "School Of Vaccine For Journalist" (SVJ)



The Second Media Workshop School Of Vaccine For Journalist (SVJ), besides filled with the curriculum about vaccines by dr.Soedjatmiko of Immunization Task Force Central IDAI; media competence development by Arif Zulkifly, Tempo Magazine Head Editor, also equipped with materials related to Corporate Social Responsibility (CSR), with guest speaker, Setiadi Ehsan Latif, Communications Observer and Commissioner of Bio Farma, and N. Nurlaela Arief, Corporate Communications of Bio Farma. The workshop was attended by 40 participants from media from Bandung, Jakarta, Yogyakarta, Solo, Semarang, as well as representatives of national media bureaus in Yogya.

13-15 MAY 2015

Inauguration of Public Health Centre (Puskesmas) Tamanjaya



The inauguration of the emergency room at the Health Center Ciemas Tamanjaya District of Sukabumi was held on 13 - 15 May 2015. This is a follow-up to the realization of development of Ciletuh Geopark development in the health sector. This activity also provided free medical treatment in order to improve the public health conditions as a form of Ciletuh Geopark area development.

22 MAY 2015

Bio Farma Board of Commissioners Succession



BOC Biofarma member Herman L. Djuni, received the end of duty decree as a Commissioner Bio Farma from the Deputy Ministry of SOEs, and is succeeded by Muhammad Subuh, who currently serves as the P2PL Director General of the Ministry of Health as the BOC of Bio Farma from the Deputy Ministry of SOEs.

4 JUNE 2015

Indonesia Green Awards (IGA) 2015



Bio Farma was awarded The Best of Indonesia Green Awards 2015, which was initiated by The La Tofi School of CSR. Bio Farma received 5 awards, namely:

- Water Resources Conservation Category,
- New and Renewable Energy Development,
- Biodiversity Development,
- Pioneering in Pollution Prevention,
- Integrated Waste Management Development.

3 JULY 2015

Bio Farma Gives Education Package Aid

Bio Farma held Taushiyah Ramadan in Annur Mosque Bio Farma as well as granting Improved Education and Health Aid package given by Andjang Kusumah, HR Director of Bio Farma, to 100 orphans in Bandung and its surroundings.







31 JULY 2015

Inauguration of Pakidulan House of Batik

PT Bio Farma (Persero) inaugurated Pakidulan House of Batik which is part of Bio Farma CSR program, in the village of Purwasedar, Ciracap District, Sukabumi. Pakidulan House of Batik unveiled by Sukabumi Regent Drs. H. Sukmawijaya, MM and the President Director of Bio Farma, Iskandar, Drs., Apt, MM, is one of the foster partners of Bio Farma since 2014 that produces batik with unique Geopark Pakidulan Sukabumi natural beauty motif, which is still relatively new in Indonesia batik industry.







13-15 AUGUST 2015

BUMN Hadir untuk Negeri

In commemoration of the 70th anniversary of the Indonesian Independence Day, the Ministry of SOEs sets the theme "BUMN Hadir untuk Negeri"; therefore Bio Farma held social events, blood donation, medicine, as well as free vaccination. Still in a series of commemoration of 70th Indonesian Independence Day, Bio Farma also carried out counseling and health education simultaneously from 13 to 15 August 2015 in five cities that has been designated as the Road Show locations. On this Road Show, the team selected high school students that excel in those five cities. At the climax of the roadshow, on 16 August 2015, five ambassadors were chosen from the five respective cities which are expected to help provide education about the health of the environment to each city. The five ambassadors selected were; Erwin Widyantoro (Purwokerto), Zakwan Aman (Tegal), Winda Aryanti (Pati), Amilia Esnida (Solo) and Frans Jaya (Semarang).





24 AUGUST 2015

Inauguration of Garut Sheep Breeding Village

PT Bio Farma (Persero) officially opened the Garut Sheep Breeding Village, which is part of Bio Farma CSR program, in the village of Wanajaya, District Wanaraja Garut. Rumah Kampung Breeding Sheep opened by the Regent and Director of Bio Farma.





26-27 AUGUST 2015

National Vaccine Research Forum



National Vaccine Research Forum (FRVN) held for the fifth time on 26 dan 27 August 2015. FRVN was opened directly by Minister of Health, Nila Moeloek and President Director PT Bio Farma (Persero), Iskandar, bringing up the theme "Downstream National Life Science Research Results to Improve the Quality of Life of the Nation".

22 SEPTEMBER 2015

Annual Report Award



In order to encourage domestic companies to implement Good Corporate Governance (GCG) principles, Annual Report Award (ARA) in 2014 was held. Chief Executive Inspector of Capital Markets, Financial Services Authority (FSA), Nurhaida, said ARA is an annual event that has been held 14 times. The goal, to encourage companies to conduct good governance. Bio Farma managed to get 3rd place in the category of Non-Finance Non-Listed SOEs.

07 OCTOBER 2015

1st Runner Up Tropical Building Category



Bio Farma Public Building II won 1st Runner up Tropical Building Category, at the ASEAN level. This award was bestowed in the Gala Dinner of the 33rd ASEAN Ministers of Energy Meeting, in Kuala Lumpur, Malaysia.

8 OKTOBER 2015

Bio Farma Donates 1,945 Blood Flasks for PMI Bandung







President Director of PT Bio Farma (Persero), Iskandar Bandung invites people to conduct humanitarian social activities. One of them is through blood donation delivered at the peak Gebyar Donor Darah 1945 Labu Darah untuk Bangsa event, which took place on 8 October 2015 at the Multipurpose Building Bio Farma.

The philosophy of 1945 blood flasks is taken from the year of Indonesia's Independence in 17 August 1945, therefore the event was held in order to celebrate the 70th Republic of Indonesia Independence Day.

21 OCTOBER 2015

Bio Farma Achieved Its 6th Primaniyarta Award



Bio Farma returns to receive the Primaniyarta Award 2015. It was the sixth time in a row Bio Farma received the award since 2010. The award was presented directly by President Joko Widodoto the Production Director of Bio Farma, Juliman, accompanied by Minister of State Owned Enterprises, Rini Soemarno, Minister Commerce, Thomas Trikasih Lembong, and leaders of state institutions, as well as some representatives of ambassadors.

Bio Farma is one of the 30 Indonesian exporters that have been honored with the 2015Primaniyarta Award, and one of seven companies in the category for Outstanding Performance Exporter Domestic Owned Share (PMDN).

8 DECEMBER 2015

Bio Farma Held Vendor Meeting and Socialization

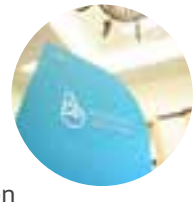


PT Bio Farma (Persero) held vendor Socialization event with the theme "Towards Reliable and Trusted Partnership", held at the Multipurpose Building Bio Farma, attended by 200 partners from Bandung, Jakarta and representatives of international partners. Ema Asmarawati, Head of Procurement Division in her report for the purpose of meeting gathering and dissemination activities of the Company's current and future plans, as well as aligning the company's future strategic plans. According to Andjang Kusumah, HR Director of Bio Farma, expressed in his speech that the partners have an important role in the continuity and sustainability of the Company, the purpose of this meeting to get more acquainted and we also want to hear and to get feedback from the partners about the service of the Procurement team. The event presented five speakers who gave a presentation related to important aspects to be known by the partners, namely Mamay Ramali, Chief of the Division of Budget and Accounting, Iin Susanti, Head of Division of Quality Assurance, Tomy Zulfikar Head of Engineering and Maintenance, Ema Asmarawati, Head of Procurement Division and Ida Farida, Head of Finance Division.

17 DECEMBER 2015

Inauguration of Bio Farma Museum and Heritage Building





Bio Farma Heritage Building Area was inaugurated by Iskandar, President Director of Bio Farma and Ahmad M. Ramli, Commissioner Bio Farma, also attended by Aleut Community, the Head of Museum in Bandung and West Java, Indonesia Museum Association (AMIDA) as well as other invitees. Heritage Building Area is the oldest building in the area of Bio Farma, formerly Landskoepok Inricting en Instituut Pasteur, from the work of architect Prof. Dr. Ir. CPW Schoemaker, built in 1926. In 1997, the Society of Bandung Cultural Heritage Preservation or Bandung Heritage, have inventoried that the building is included as Cultural Heritage. The determination as one of the heritage buildings in the city of Bandung is through Bandung Regional Regulation No. 19 year 2009.

28 DESEMBER 2015

Bio Farma-LIPI Developed Second Generation Erythtropoetin



PT Bio Farma (Persero) in collaboration with Indonesia Institute of Sciences (LIPI) developing the production of second generation 'Erythropoetin' (EPO) which will be launched within the next few years. The consortium is a continuation of the erythtropoetin consortium that is a part of the national research incentives and innovation systems. This product will be useful for the treatment of kidney failure, chemotherapy and anemia, Iskandar said that the development of EPO which is part of the research system incentive national innovation (insinas) Ministry of Research and Higher Education and has been going on since 2012. Cooperation between LIPI with Bio Farma marked with the handover of the EPO research cell bank (RCB) from P2 Biotechnology LIPI to Bio Farma which will be developd into a product.

MANAGEMENT ANALYSIS AND DISCUSSION





MANAGEMENT ANALYSIS AND DISCUSSION

GLOBAL ECONOMIC DEVELOPMENTS

Uncertainty in the global financial markets eased after a hike in the Fed Funds Rate (FFR) on December 17, 2015 by 25 bps was anticipated by the markets and a statement from the Fed that normalization would be gradual and limited did not cause turmoil in global financial markets, meanwhile, global economic recovery was forecast to remain limited. Global commodity prices continued to decline, including oil prices.

The strong performance of 2014 and the acknowledgments received served as an optimistic foundation for Bio Farma to face 2015 and the challenges of the global market.

US economic recovery was still restrained, in line with weak retail sales and personal expenditure indicators, as well as continued contraction in the manufacturing sector. Europe's economic recovery continued with improvement driven by domestic demand, although it was not able to increase low inflation rates. The Japanese economy was expected to remain weak in line with weak consumption.

On the other hand, the Chinese economy was forecast to continue slowing amid various stimulus measures, including monetary and fiscal policies, as well as reforms to the supply side. Market reaction to the economic slowdown and consistency of efforts to liberalize the financial market in China raised pressure on its stock market. Looking ahead, the risks associated with a slowing Chinese economy and the continued decline in global commodity prices should be carefully observed.

These conditions were reflected in the declining VIX index after the FFR increase. FOMC's minutes per December 17, 2015 stated that the FFR hike would occur gradually, with consideration to support further improvements to the labor market. Further, these gradual adjustments would be implemented with consideration of the need for time to trust that inflation would return to a trajectory of 2 percent and see an economic response to rising interest rates. This encouraged investors to forecast that a second 25 bps FFR hike would occur in March or the second quarter of 2016.

Global commodity prices continued to decline, including oil prices. Commodity prices remained contracted in line with the limited global economic recovery. However, there was still potential for an increase in the price of CPO due to reduced supplies caused by the El Nino effect. Meanwhile, oil prices declined due to excess supply. World oil prices continued to decline and Brent reached USD 31.6 on January 12, 2016 the lowest level for 11 years. From the supply side, this condition was primarily driven by rising US oil exports, due to the lifting of a ban on US oil exports, and high inventory. Meanwhile, growth in advanced economies remained slow and weakening in China helped provide downward pressure on oil prices. This downward trend in world oil prices should continue to be observed.

The economic recovery is still restrained, in line with weak retail sales and personal expenditure indicators and the continued contraction of the manufacturing sector. Retail sales growth declined from 2.2 percent (yoy) in September 2015 to 1.4 percent (yoy) in December 2015, while growth in personal expenditure declined from 3.1 percent (yoy) in September 2015 to 2.5 percent (yoy) in December 2015. The US manufacturing sector remained contracted in line with declining exports. The contraction in the US manufacturing sector reflected declining Manufacturing PMI influenced by weakened global demand and the upward trend of the USD. The increasingly deep slowdown in the manufacturing industry was also indicated by inventory starting to contract.

Europe's economic recovery continued to be driven by an improvement in domestic demand. European consumption improved, reflected by higher consumption expenditure and retail sales levels. This improvement was supported by declining unemployment and cheap fuel prices, resulting in the people of Europe having extra funds for consumption. In addition, monetary easing undertaken by the

European Central Bank (ECB) resulted in increased credit and money supply, thereby supporting consumption. On the production side, manufacturing activity improved, reflected in the continued expansion of Manufacturing PMI occurring in all major countries. The increase in the manufacturing sector was in line with the rising trend for investment. Nevertheless, European economic recovery has not been able to raise inflation, which remains low. This condition has been caused by low fuel prices, which impacted by lowering production prices and the price of goods.

The Japanese economy is expected to remain weak due to weak consumption, which is reflected in the low level of retail sales, although recent developments have shown a rebound. Japan's GDP for the third quarter 2015 grew 1 percent (yoy), below the government's target of 2 percent. This was mainly driven by a level of consumption that remained weak, although improved in line with a falling unemployment rate. The consumption weakness is reflected in the low level of retail sales. To continue stimulation for economic growth, the Bank of Japan (BOJ) took additional steps to ease monetary policy.

On the other hand, the Chinese economy was forecast to slow amid various stimulus measures, both to monetary and fiscal policies, as well as reforms on the supply side. The slowing of the Chinese economy was reflected in the decrease in investment growth and industrial production, although retail sales increased. This was in line with the ongoing process of rebalancing the Chinese economy. In the midst of these conditions, the Chinese government sought to increase the stimulus to encourage economic improvements. On the monetary side, the stimulus was through an accommodative monetary policy that lowered interest rates by 25-50 bps along with the reserve requirement (RR). On the fiscal side, the policy stimulus included reducing taxes and increasing government investment. Meanwhile, the stimulus through supply side reforms was conducted two years ago by taking a policy of reducing industry overcapacity, housing stock, business costs, strengthening financial risk mitigation and SOE restructuring. In the financial sector, the market reaction to the economic slowdown and consistency of financial market liberalization in China increased pressure on its stock market.

MACROECONOMIC CONDITIONS

As a result of the impact of these global economic developments, Indonesia's economic growth until the second quarter of 2015 was still slow, amounting to 4.67% (yoy), down from the previous quarter at 4.72% (yoy). Economic growth in the second quarter of 2015 was mainly slow due to weak growth in investment, government consumption and household consumption.

On the external side, export growth was limited as global economic recovery was not strong and commodity prices were still declining. On the other hand, import growth contracted further in line with weak domestic demand.

Developments in Indonesia's trade balance in the first half of 2015 recorded a surplus, mainly supported by non-oil and gas surpluses. The trade balance surplus encouraged improvements in the current account deficit in the second quarter of 2015 that were better than the forecast 2.5% of GDP, and better than the same period of the previous year at 3.9% of GDP.

The rupiah exchange rate depreciated, mainly influenced by external factors. In July 2015, the rupiah weakened to a level of USD 13,311 per US dollar from the previous range of USD 12,025. It continued to decline, reaching almost USD 14,800 in September 2015. Luckily, global economic conditions and the hard work of the government succeeded in strengthening the rupiah back to the USD 13,500 range in mid-October 2015.

In line with the rupiah fluctuations, stock prices also came under pressure. In early November 2014, the Composite Stock Price Index (CSPI) was Rp5,085.51, which fell to Rp4,120.5 by the end of September 2015 due to a rapid outflow of foreign capital from the Indonesia Stock Exchange. However, a series of Economic Policy Packages published by the government from September 9, 2015 restored a positive perception with capital market investors, thus the IDX rose again to Rp4,591.91 on October 19, 2015.

As a result of the fuel price adjustment policy in November 2014, inflation jumped to 8.36% (yoy) at the end of 2014. Through policies regulated by the government to control the prices of food and goods, the inflation rate gradually declined. In September 2015, inflation was recorded at 6.83% (yoy) or 2.24% (ytd). With strict inflation control down to Regional Government level, inflation was forecast to be approximately 4% by the end of 2015. This decline was partly due to weakened purchasing power due to slowing economic growth, especially in mining and plantations.

With the commitment to elevate the global public health status, Bio Farma is still able to hold out amidst the rough global economic condition while providing quality vaccine at an affordable price for developing countries and Islamic countries.

The economy was expected to begin improving in the third quarter and into the fourth quarter of 2015. This increase was supported by accelerated government spending with increasing realization of infrastructure projects. This was in line with a variety of special efforts made by the government to accelerate the realization of capital expenditure, including setting up the necessary regulations. Meanwhile, consumption was also expected to improve, in line with expected revenue increases and simultaneous local elections in the fourth quarter of 2015.

The Indonesian people should be proud of Bio Farma, a world-class company that has reached more than 131 countries to market its vaccine products, which have passed WHO prequalification. This is international recognition of Bio Farma as a vaccine producer for the global community.

Bio Farma has also managed to export vaccines to Islamic countries. This is not an easy market to penetrate because the vaccines must be made with kosher ingredients so they are fit for consumption by Muslims. All Bio Farma vaccines products are geared up for kosher certification from the Indonesian Theologian Council (MUI); Bio Farma also provides vaccines for use by pilgrims on the major and minor pilgrimages.

Bio Farma occupies an important position as one of the largest vaccine producers to markets in developing countries, supplying quality vaccines at an affordable price. Although of total revenue, 65% is attributable to exports, the remainder is generated from the domestic market. However, Bio Farma still views the domestic market as an important market and is therefore targeting a minimum share of 50%.

In the midst of an economic downturn, Bio Farma has managed achieve financial performance to be proud of, increasing its net profit by 15,18%.



OPERATIONS REVIEW PER BUSINESS SEGMENT

Bio Farma is a State-Owned Enterprise (SOEs) whose business activities are as a manufacturer of vaccines and antisera for humans. Bio Farma's main function is to support the National Immunization Program, including in Indonesia and other countries. At the international level, Bio Farma has passed World Health Organization (WHO) PQ. All Bio Farma products have met International Standards from elements of Quality Control and Quality Assurance. The production process and quality control of vaccines is always monitored by the National Control Authority (NCA) / Indonesian Food and Drug Monitoring Agency (BPOM), which is recognized by WHO.

DIFFERENCE BETWEEN VACCINES AND ANTISERA (SERUM)

A vaccine is a germ (bacteria / virus) that has been weakened and is then administered into a person's body to establish active immunity. These can be administered by injection or orally. The main function of a vaccine is for the prevention of diseases caused by viral or bacterial.

Antiserum is a blood serum which contains polyclonal antibodies and is used to incur passive immunity for various diseases caused by bacteria or virus. The main function of a serum is treating a disease caused by germs.

The use of vaccine and antiserum is differentiated based on the needs and conditions of the recipient. Vaccine is given to healthy people for the purpose to prevent from getting infected by bacteria or virus.

EXPLANATION OF EACH BUSINESS SEGMENT

Production

Bio Farma's products are grouped into two business segments:

1. Segment / Product Group:

- Bacterial Vaccines.
- Viral Vaccines.
- Combination Vaccines.
- Sera & Diagnostics.

2. Product Sales per Segment/Sector:

- Government Sector.
- Private Sector.
- Export Sector.

Description of Segments / Product Groups

BACTERIAL VACCINE PRODUCT GROUP / SEGMENT

Bio Farma's products included in the bacterial vaccine segment (product group) are as follows:

1. TT Vaccine
   - The TT vaccine is a homogeneous colloidal suspension of milky white color in a glass vial, containing pure tetanus toxoid adsorbed into aluminum phosphate.
   - For the prevention of tetanus and as protection against Tetanus Neonatorum in women of childbearing age.

2. DT Vaccine
   - DT vaccine is a homogeneous colloidal suspension of milky white color in a glass vial, containing pure tetanus toxoid and pure diphtheria toxoid adsorbed into aluminum phosphate.
   - For the simultaneous prevention of Diphtheria and Tetanus in children.
3. DTP vaccine
   - DTP vaccine is a homogeneous colloidal suspension of milky white color in a glass vial, containing pure tetanus toxoid, pure diphtheria toxoid, and inactive pertussis bacteria, adsorbed in aluminum phosphate.
   - For the simultaneous prevention of Diphtheria, Tetanus and Pertussis (whooping cough) in infants and children.



4. BCG vaccine (freeze dried)
   - The BCG vaccine is a freeze-dried vaccine containing live attenuated Mycobacterium bovis (Bacillus Calmette Guerin) Paris strain.
   - For the prevention of tuberculosis.
5. Td Vaccine
   - The Td vaccine is a homogeneous colloidal suspension of milky white color in a glass vial, containing pure tetanus toxoid and pure diphtheria toxoid, with low-dose diphtheria components adsorbed in aluminum phosphate.
   - For the prevention of Tetanus and Diphtheria in children aged 7 years and above.
6. Bio-TT vaccine
   - The Bio-TT vaccine is a homogeneous colloidal suspension of milky white color in ampoules, containing pure tetanus toxoid, adsorbed into aluminum phosphate.
   - For the prevention of tetanus and as protection against neonatal tetanus in women of childbearing age.

VIRAL VACCINE SEGMENT / PRODUCT GROUP

1. Oral Polio Vaccine
   - The oral polio vaccine (OPV) is a tri-valent vaccine, a reddish yellow liquid packaged in a glass vial containing a suspension of types 1, 2 and 3 of live polio virus (Sabin strain) that has been weakened. Oral Polio vaccine is a suspension of "drops" administered through a dropper (orally).
   - For the prevention of poliomyelitis types 1, 2 and 3.
2. Bivalent Oral Poliomyelitis Vaccine
   - The mOPV1 vaccine is a light yellow to pink liquid in a glass vial containing a suspension of live attenuated type 1 polio virus (Sabin strain).
   - For the prevention of poliomyelitis types 1 & 3.
3. Measles vaccine (freeze dried)
   - The Measles vaccine is a live attenuated viral vaccine, freeze dried, of a yellowish color in a glass vial, which must be reconstituted only with separately provided solvent dried measles vaccine produced by PT Bio Farma (Persero). This measles vaccine is a powder injection.
   - For the prevention of measles.

4. Recombinant Hepatitis B Vaccine
   - The recombinant Hepatitis B vaccine contains Hepatitis B virus antigens, non-infective HBsAg produced from yeast cell culture with DNA engineering. This recombinant Hepatitis B vaccine is a whitish suspension in a prefilled sterile injection device packaged in an aluminum foil pouch, and vials.
   - For the prevention of Hepatitis B.
5. Flubio Vaccine
   - The HA influenza HA vaccine is a clear or slightly whitish (slightly turbid) suspension containing hemagglutinin from the influenza virus antigen. The HA Influenza vaccine is given in a suspension for injection.
   - For the prevention of seasonal influenza.

COMBINED VACCINES SEGMENT / PRODUCT GROUP

1. DTP-HB Vaccine
   - For the prevention of Diphtheria, Tetanus, Pertussis (whooping cough) and Hepatitis B.
2. Pentabio vaccine (DTP-HB-Hib)
   - The Pentabio vaccine is a DTP-HB-Hib vaccine (Diphtheria, Tetanus, Pertussis, Hepatitis B recombinant, Haemophilus Influenzae type B) in a homogeneous suspension containing pure tetanus and diphtheria toxoid, inactive pertussis (whooping cough) bacteria, pure non-infectious Hepatitis B (HBsAg) surface antigen, and a Hib component as a bacterial subunit vaccine in a polysaccharide capsule. Haemophilus Influenzae type b is not infectious conjugated to tetanus toxoid protein.
   - For the prevention of Diphtheria, Tetanus, Pertussis, Hepatitis B and Haemophilus Influenzae type B.

ANTISERA SEGMENT / PRODUCT GROUP

1. Tetanus Antiserum (BioSAT)
   - Anti Tetanus Serum (BioSAT) is an antisera prepared from horse plasma immunized against tetanus and contains phenol as a preservative. It is a yellowish clear liquid.
   - For the treatment of tetanus.
2. Diphtheria Antiserum (BioADS)
   - For the treatment of diphtheria.
3. Snake Venom Antiserum (BioSave)
   - Polyvalent Snake Venom antiserum (BioSave) is a pure antiserum made from horse plasma that gives immunity to neurotoxic snake venom (such as Naja sputatrix - cobras, Bungarus fasciatus - banded krait) and hemotoxic venom (Agkistrodon rhodostoma - pit viper) found in Indonesia and contains phenol as a preservative. The polyvalent Snake Venom Antiserum is a yellowish clear liquid.
   - For the treatment for snakebites with neurotoxic effect (Naja sputratix / cobra and Bungarus fasciatus / banded krait) and hemotoxic effect (Ankystrodon rhodostoma / pit viper).

DIAGNOSTIC SEGMENT/ PRODUCT GROUP

1. PPD RT 23 (Purified Protein Derivative)
   - To test sensitivity to tuberculosis.

Description of Bio Farma Product Sales Per Segment / Sector

GOVERNMENT SECTOR

- Product sales realization in 2015 to the government sector based on signed contracts amounted to Rp570.62 billion, or 10.29% below budget of Rp636.06 billion. This was caused by demand changing from that previously forecast, such as sales of BCG vaccine, TT 10 ds, tOPV 10 ds and measles 10 ds, respectively reaching 110.5%, 188.8%, 166.0% and 132.6 % of budget, while Td 10 ds, DT 10 ds, HBV Infant 1 ds and Pentabio 5 ds each only reached 73.8%, 42.0%, 64.5% and 47.1% of budget respectively, additionally, there were no sales of bOPV 20 ds vaccine despite it being budgeted at Rp29.73 billion.
- Compared to product sales realization from 2014, there was an increase of 4.18% mainly due to increases in sales of the vaccines BCG, Td 10 ds, tOPV 10 ds, Measles ds and HBV Infant 1 ds respectively by 38.3%, 289.0%, 10.0%, 19.6% and 10.4%, while sales of the vaccines TT 10 ds, DT 10 ds and Pentabio 5 ds were almost the same as in 2014.

PRIVATE SECTOR

- Recorded realization of product sales from private sector in 2015 was amounted to Rp139.48 billion, or 38.48% below the budgeted figure of Rp226.74 billion. This was caused by almost all product sales falling under budget; such as Td 10 ds, DT 10 ds, DTP 10 ds, HBV Adult 1 ds, Flubio 1 ds, DTP-HB 5 ds, Pentabio 1 ds, ATS 1.500 (BIOSAT 1.5), ADS 20.000 (BIOADS), PPD 2 TU, serum ABU II (Australia) and laboratory services respectively achieving 55.0%, 34.1%, 13.9%, 31.8%, 81.3%, 9.0%, 35.6%, 79.9%, 94.1%, 14.6%, 63.8% and 41.8%, except for BCG Infant 20 ds, TT 10 ds, tOPV 10 ds, Measles 10 ds, HBV Infant 1 ds, serum ABU (BIOSAVE) and immunization services, which respectively reached 113.9%, 237.6%, 120.7%, 143.5%, 212.2%, 148.8% and 106.3%.
- Compared to product sales realization in 2014, there was an increase of 7.20% mainly due to increased vaccine sales of tOPV 10 ds, HBV Infant 1 ds, Flubio 1 ds, Pentabio 1 ds, serum ABU (BIOSAVE), serum ABU II (Australia) and laboratory services, each rising by 6.7%, 60.4%, 104.5%, 3.4%, 49.5%, 15.5% and 60.7%.

EXPORT SECTOR

- Actual product sales to the export sector in 2015 reached Rp1635.81 billion, or 13.89% above the budget amount of Rp1436.36 billion. This was due to export sales denominated in rupiah reaching 113.9% or, if denominated in USD, reaching 100.76% mainly from increased sales of TT 10 ds, Bio TT 1 ds, DTP 10 ds, tOPV 10 ds, bOPV 20 ds, Bulk Diphtheria, Pertussis and Polio respectively by 152.9%, 115.5%, 129.7%, 134.2%, 127.1%, 114.5%, 135.2% and 128.8%.
- Compared with export sales realization in 2014, those denominated in rupiah rose by 19.7%, or if stated in USD by 5.7% mainly from increased sales of vaccines Bio TT 1 ds, Td 10 ds, tOPV 10 ds, bOPV 20 ds, Bulk Diphtheria, Pertussis and Polio each rising by 10.8%, 147.0%, 101.7%, 9.9%, 191.0%, 116.4% and 23.8%.

PERFORMANCE PER BUSINESS SEGMENT

Performance Per Segment / Product Group, Bacterial Vaccines

In 2015, Bio Farma produced 531.50 million dose of bacterial vaccines, an increase of 22.08% compared to 2014, or an increase of 24.06% from the 2015 SFAS (Work Plan and Budget).

Product cost realization stood at Rp263.67 billion, an increase of 14.82% compared to 2014's Rp229.64 billion, or an increase of 13.33% from the 2015 SFAS.

Production Cost Realization

- There was an increase in production costs compared to the budget due to an increase in the production of bacterial vaccine products, namely TT 10 ds, Bio TT 1ds, Td 1 ds, DTP 10 ds, Bulk Diphtheria, Tetanus and Pertussis respectively of 165.2%, 112.4%, 262.8%, 105.2%, 107.7%, 110.6% and 124.1%, of budget, as well as the cost of production for Bulk Hib as a raw material for production of the Pentabio vaccine at Rp16.35 billion, while production costs and quantities were under budget primarily for vaccines BCG infant 20 ds, Td 10 ds and DT 10 ds respectively of 95,3%, 81.1% and 27.3% from budget.
- Compared to 2014, this was an increase of 14.82% mainly due to the vaccines TT 1 ds, Td 10 ds, Bulk Diphtheria, Bulk Tetanus and Pertussis respectively increasing by 1.5%, 83.7%, 4.1%, 19.4% and 55.3% in line with increased production and the production of Bio Td vaccine 1 ds and Bulk Hib each at Rp9.23 billion and Rp16.38 billion.

Sales / business revenue derived from bacterial vaccines in 2015 was recorded at Rp305.19 billion, an increase of 40.28% compared to 2014's Rp217.55 billion, or an increase of 2.53% from 2015's SFAS. The increase in sales / business revenue from Bacterial Vaccine production was due to increased sales of TT 10 ds, DTP 10 ds, BCG, Bulk Difteri and Bulk Pertusis.

Performance Per Segment / Product Group, Viral Vaccines

The amount of Viral Vaccines produced by Bio Farma in 2015 amounted to 3.41 billion doses, up 10.09% compared to 2014, or 16.40% from the 2015 SFAS. This increase in Viral Vaccines was due to rising sales of TOPV 10 ds, BOPV 20 ds, Flubio 1 ds and Bulk Polio.

Production cost realization was recorded at Rp506.16 billion, up 10.65% on 2014's Rp457.44 billion, or 3.77% below the 2015 SFAS due to unrealized production of bOPV 10 ds vaccine worth Rp10.12 billion and low achievement of production cost for bOPV 20 ds, measles 10 ds, HBV Infant 1 ds, all in line with falling production quantities and efficiencies in the Flubio vaccine, respectively at 75.0%, 41.0%, 47.3% and 41.9% of budget; however, several products exceeded budgeted production costs and quantities, namely the vaccines tOPV 10 ds, tOPV 20 ds, HBV Adult 1 ds and Bulk Polio, respectively at 131.1%, 105.9%, 109,0%, 122.31% of budget, and production of Bulk Measles of Rp52.48 billion and Bulk Hepatitis B-RTF of Rp4.05 billion.

Sales / business revenue derived from Viral Vaccines in 2015 was recorded at Rp1.69 trillion, a rise of 17.05% on 2014's Rp1.45 trillion, or a rise of 14.20% on the 2015 SFAS. The rise in sales / business revenue from Viral Vaccines was due to rising sales of TOPV 10 ds, BOPV 20 ds and Bulk Polio.

Performance Per Segment / Product Group, Combination Vaccines

The number of combination vaccines produced by Bio Farma in 2015 stood at 15.79 million doses, an decrease of 36.45% compared with 2014, or 35.55% below the 2015 SFAS. The increase in the number of combination vaccines produced compared with 2014 was because there was no Pentabio 5 ds production in 2014.

Production cost realization stood at Rp159.72 billion, down 2.31% compared to 2014's Rp163.49 billion, up 38.01% from the 2015 SFAS due to the high production cost for the Pentabio 5 ds vaccine at 136.8% of its budget.

Sales / business revenue from combination vaccines in 2015 amounted to Rp252.35 billion, a fall of 8.62% compared to Rp276.15 billion in 2014, or 27.63% below the 2015 SFAS. Failing to meet the SFAS target for sales / revenue from combination vaccine production was due to a fall in of DTP-HB 5 ds and Pentabio 1 ds.

Performance Per Segment / Product Group, Sera & Diagnostic

Production cost realization amounted to Rp33.06 billion, an increase of 2.68% compared to 2014's Rp32.20 billion, or 33.18% below 2015 SFAS due to low production costs for ATS 1,500 (BIOSAT-1.5) and PPD 2 TU respectively of 59.6% and 37.2% due to lower production quantaties achieved.

Sales / business revenue from Sera & Diagnostic in 2015 was Rp78.08 billion, a decrease of 11.31% compared to 2014's Rp88.03 billion, or 49.49% below the 2015 SFAS. The decline in sales / business revenue from Sera & Diagnostic production was due to declining sales of ATS 1,500 UI / BIOSAT-1.5 and PPD 2TU.

Performance Per Segment / Product Group, Goods & Services

Sales / business revenue derived from Goods and Services in 2015 was recorded at Rp16.29 billion, an increase of 7.96% compared to 2014's Rp15.09 billion, and up 10.21% on the 2015 SFAS. The increase in sales / business revenue from goods and services compared to 2014 was due to increased sales of Serum ABU II (Aust) PKD and laboratory services, or compared to the 2015 SFAS was due to increased sales of immunization services and sales of Verorab, which had previously not been budgeted.

Production Costs Per Segment / Product Group

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
PRODUCTION	1	2	3	4	5	6	6/4	6/5	6-4
Bacterial Vaccine	148,960	168,521	187,208	229,639	232,656	263,671	14.82	13.33	34,032
Viral Vaccine	334,624	334,875	430,334	457,444	525,959	506,155	10.65	(3.77)	48,711
Combination Vaccine	57,818	54,142	95,464	163,489	115,731	159,721	(2.31)	38.01	(3,769)
Sera & Diagnostics	21,739	29,379	30,594	32,196	49,475	33,061	2.68	(33.18)	864
Total Production	**563,141**	**586,917**	**743,600**	**882,769**	**923,821**	**962,608**	**9.04**	**4.20**	**79,839**

Improving Production Capacity

Production performance achievements in 2015 as a whole were on target for the company. The strategy in place was to optimize production capacity to produce products in accordance with dynamic marketing projections. The production schedule has to be planned strictly to meet market needs given the limited production capacity, especially in the fill and finish facility. To overcome this matter, the Production Directorate has prepared and plans to increase capacity of the fill and finish facility through a phased investment from 2013 to 2016. Moreover, in 2015, some of the production facilities were rejuvenated, some production equipment was added and machinery maintained. The target is to achieve vaccine production without technical difficulties that could interfere with fulfilling the demand for vaccines.

Through the production capacity optimization strategy to meet dynamic marketing projections, in 2015, Bio Farma achieved targeted production of 3.2 billion doses.



Sales / Business Revenue

In 2015, the Company's performance improved compared to 2014 due to ongoing efficiencies being implemented, other income derived from Rupiah – US dollar foreign exchange management, as well as a shift in collaborative research, development and surveillance with external parties pushed back to 2016.

The company's performance in 2015 in terms of sales amounted to 2,34 trillion, an increase of 14.77% compared to 2014, totaling 2.03% above budget, while the cost of sales and services amounted to Rp867.49 billion, an increase of 11.20% compared to 2014 and 1.72% above budget, while the company's net profit increased by 15.18% from realization in 2014 to Rp670.59 billion or 7.88% of budget; net profit was lower than the increase in sales mainly due to tax liabilities on the revaluation of land fixed assets worth Rp61.26 billion.

Sales of Product Company

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
GROUP	1	2	3	4	5	6	6/4	6/5	6-4
Sales of Product Company									
Bacterial Vaccine	199,719	226,713	233,754	217,605	297,647	305,289	40.29	2.57	87,683
Viral Vaccine	936,970	939,684	1,302,853	1,457,280	1,483,435	1,705,305	17.02	14.96	248,024
Combination Vaccine	132,420	210,286	248,565	276,548	348,704	253,404	(8.37)	(27.33)	(23,144)
Sera & Diagnostics	55,490	56,581	63,635	90,240	154,586	80,689	(10.58)	(47.80)	(9,550)
Total	**1,324,599**	**1,433,264**	**1,848,806**	**2,041,673**	**2,284,372**	**2,344,687**	**14.84**	**2.64**	**303,013**
Less: Sales Discount	(554)	(298)	(354)	(12,685)	-	(15,063)	18.74	-	(2,378)
Net Sales of Product	**1,324,046**	**1,432,966**	**1,848,452**	**2,028,988**	**2,284,372**	**2,329,624**	**14.82**	**1.98**	**300,636**

Sales Merchandise

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
Description	1	2	3	4	5	6	6/4	6/5	6-4
Sales Merchandise									
Government									
Fluarix	-	-	-				-	-	-
Syringe	-	-	-				-	-	-
Sub Total	**-**	**-**	**-**				**-**	**-**	**-**

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Private									
Meningitis	-	-	-				-	-	-
Polyvalent Snake Anti Venom	1,785	1,206	1,848	2,641		3,393	28.47	-	752
Syringe	-	-	-				-	-	-
Fluarix	-	-	-				-	-	-
Yellow Fever Vaccine	-	-	-				-	-	-
IPV				7,768			(100.00)	-	(7,769)
Imovac Rabies Vero						8,528	-	-	8,528
Others (under Rp500 million)	-	-	-				-	-	-
Sub Total	**1,785**	**1,206**	**1,848**	10,409	-	11,922	**14.52**	-	**1,512**
Less: Sales Discount	(1,34)		-	(122)		(486)	295.04	-	(363)
Total Sales of Services - Net	**1,784**	**1,206**	**1,848**	10,286	4,554	11,436	**11.17**	**(22.65)**	**1,149**

Sales of Services

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Sales of Services									
Immunization	1,714	2,134	2,501	3,978	3,320	3,529	(11.28)	6.31	(449)
Laboratory	1,186	1,337	881	827	3,181	1,329	60.69	(58.20)	502
Total	**2,900**	**3,471**	**3,382**	4,805	6,501	4,859	**1.11**	**(25.26)**	**53**
Less: Sales Discount	(1)	(2)	(0)	0	3,730	(0)	-	(100.01)	(0)
Sales of Services - Net	**2,899**	**3,469**	**3,382**	4,805	10,231	4,858	**1.10**	**(52.51)**	**53**
Total Sales of Product, Goods and Services	**1,328,729**	**1,437,642**	**1,853,682**	2,044,080	2,299,157	2,345,918	**14.77**	**2.03**	**301,838**

Net Product Sales Per Segment (Per Sector)

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Government	476,894	515,254	548,724	547,728	636,061	570,619	4.18	(10.29)	22,891
Private/Non-Government	69,955	72,473	82,106	130,120	226,736	139,485	7.20	(38.48)	9,365
Export	781,880	849,914	1,222,852	1,366,232	1,436,360	1,635,814	19.73	13.89	269,582
Total Net Sales	**1,328,729**	**1,437,641**	**1,853,682**	2,044,080	2,299,157	2,345,918	**14.77**	**2.03**	**301,838**

The company's profitability can be gauged by the increase in net profit by Rp88.4 billion from Rp582.19 billion in 2014 to Rp670.59 billion in 2015. The Company's Net Profit Margin (NPM) in 2015 amounted to 28.59%, a fall of 0.39% on 2014's 28.48%.

The positive difference in net profit in 2015 compared to 2014 was primarily due to an increase in export sales, ongoing efficiencies and unrealized liabilities for research, development and surveillance the completion of which was delayed until 2015, as well as an increase in other income from foreign exchange differences between the rupiah and USD as a result of foreign exchange management.

Bio Farma's Financial Ratios

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
Financial Ration	1	2	3	4	5	6	6/4	6/5	6-4
Liquidity									
Cash Ratio	168.36	252.13	228.74	286.08	106.99	121.74	(57.45)	13.79	(1.64)
Current Ratio	368.85	522.91	395.98	537.18	430.06	437.04	(18.64)	1.62	(1.00)
Profitability(%)									
Gross Profit Margin	59.44	59.38	60.96	61.84	62.91	63.02	1.91	0.18	0.01
Operating Margin	29.11	34.03	36.93	35.57	36.13	35.65	0.22	(1.34)	0.00
Net Profit Margin	22.76	26.84	30.88	28.48	27.04	28.59	0.39	5.74	0.00
Return on Equity (ROE)	34.70	29.36	37.81	31.93	31.53	17.14	(46.32)	(45.64)	(0.15)
Return on Investment (ROI)	33.53	31.22	34.81	31.15	32.60	20.27	(34.93)	(37.83)	(0.11)
Return on Assets (ROA)	18.47	20.42	24.11	20.26	18.88	15.37	(24.14)	(18.59)	(0.05)
Solvability									
Debt to Equity	17.28	13.24	19.34	19.69	14.87	12.62	(35.91)	(15.13)	(0.07)
Turnover [times]									
Inventory Turnover	3.15	3.59	3.95	2.94	3.06	2.20	(25.22)	(28.16)	(0.74)
Receivable Turnover	8.93	7.80	7.29	7.54	9.61	6.17	(18.13)	(35.79)	(1.37)
Growth									
Sales	109.79	108.20	128.94	110.27	116.66	114.77	4.08	(1.62)	0.04
Operating Income	111.77	126.51	139.92	106.19	119.30	115.05	8.34	(3.57)	0.09
Net Income before Tax	120.49	127.79	149.41	99.65	114.25	115.90	16.30	1.45	0.16



In 2015, the company's financial ratios for liquidity, profitability and solvency were as follows:

a. Liquidity.

   The 2015 liquidity ratio was over budget due to a higher increase in current assets than current liabilities.

b. Profitability.

   Profitability in 2015 was almost entirely under budget primarily due to increases in operating costs such as taxes, an increase in total assets in the form of land assets and equity as a result of the impact of land revaluation not previously budgeted, with the exception of the Gross Profit Margin, which exceeded the budgeted amount due to the increase in sales being greater than the increase in the cost of production. The net profit margin exceeded budget due to the composition of other expenses / income compared to sales being lower than in the SFAS.

c. Solvency.

   The 2015 solvency ratio came in under budget due to realized liabilities being lower than realized equity resulting from the increase in equity caused by land revaluation that was not previously budgeted.

d. Turnover.

   The Company's receivables turnover decreased by 1.37 from 7.54 in 2014 to 6.17 in 2015. There is little change to this figure, meaning the Company's ability to collect receivables remains unchanged.

e. Growth.

   As of the end of 2015, the Company had recorded growth in net profit of 15.18% compared to 2014, or 107.88% of the budget.

Efforts have been made by Bio Farma to increase productivity, as follows:

- Improving employee motivation through proper training to maintain and improve employee motivation and generate high productivity.
- Supportive Work Environment

  The role of the company's leaders (top leaders) in creating a supportive working environment so that employees feel comfortable and optimistic about their work, and providing training to enhance a positive mindset.
- Time Management Integration with Corporate Systems

  The time management system has been integrated with the corporate system so that it can contribute to effective and productive employee productivity.
- Rewards

  The company gives rewards to employees who excel and show dedication and professionalism.

In accordance with the Company's articles of association, Bio Farma's purpose and objectives and main business activities are:

a. Research and development of biological and pharmaceutical products, either conducted in-house or in cooperation with other parties.

b. Production of biological and pharmaceutical products, either in-house or in cooperation with other parties.

c. Marketing, trading and distribution of biological products, pharmaceutical products, medical devices, including general merchandise both in Indonesia and abroad.

d. Health Laboratory Services and clinics.

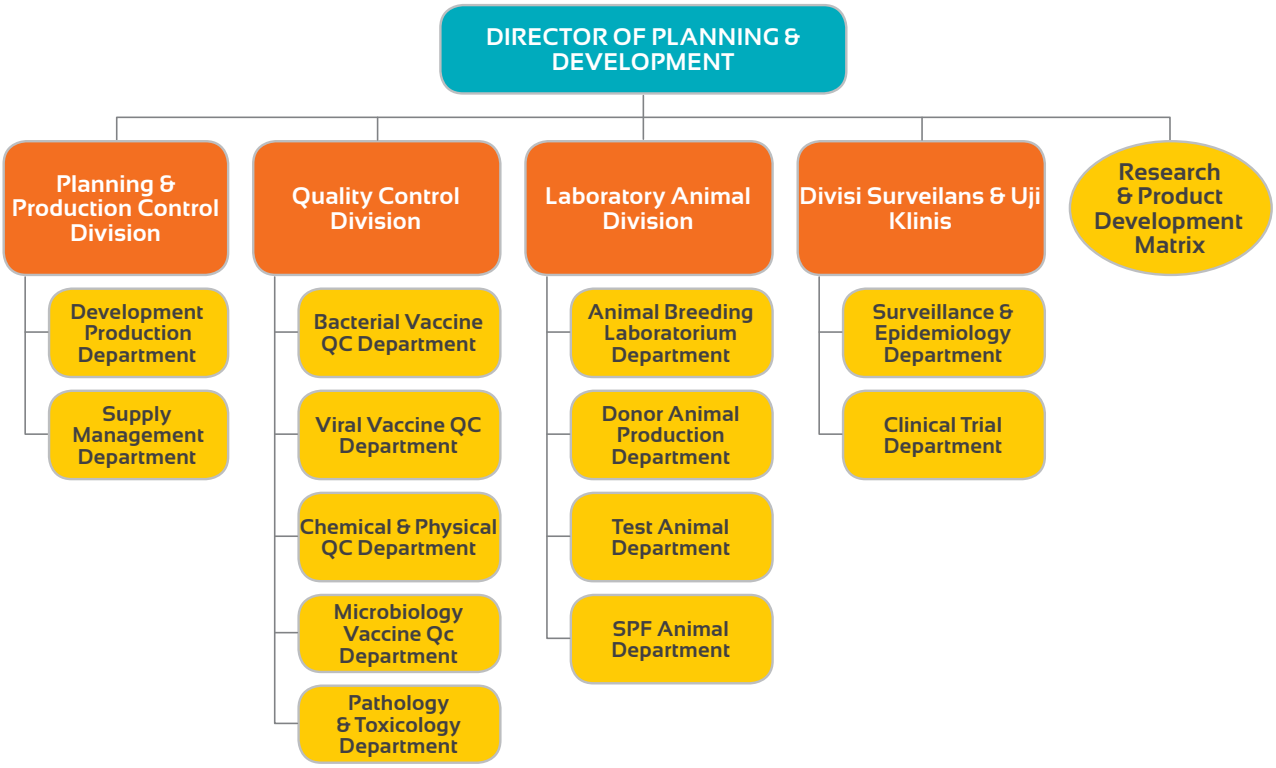
e. Businesses in the service sector related to the points in the above letters a, b, c and d.

In addition to the above main business activities, in order to optimize Bio Farma's resource utilization, the company conducts education and training, agriculture, animal husbandry, breeding laboratory animals, property, offices, warehousing and tourism.

RESEARCH AND DEVELOPMENT SEGMENT

Bio Farma pays special attention to research and development to increase the company's core business. In supporting Research and Development, Bio Farma cooperates with various competent parties to support the company's performance.

Organizational Structure of the Research and Development, Surveillance and Clinical Trials Division.



The Research and Development Program consists of:

1. Research Program and Product Development comprising:
   - Vaccine Research and Development.
     During 2015, vaccine research and development activities included:
     a. Rotavirus vaccine (MCRI)
     b. Rabies vaccine
     c. Vaccines nOPV2 (BMGF)
     d. Whole Cell Pneumococcal Vaccines (PATH)
     e. Typhoid Conjugate Vaccine (IVI)
     f. Hexavalent vaccines
     g. Acellular Pertussis vaccine
     h. Hepatitis B Vaccine
     i. Hepatitis B Consortium Vaccine
     j. Lipovaxin with model TB vaccine
     k. Adjuvant R4 / E8 Pam2Cys
   - Blood Product Development
   - EPO Development
   - StemCell Development
   - Biosimilar Trastuzumab Development
   - Nano particle Development
2. Product Innovation
   Several product innovations occurred in 2015, including:
   a. Optimization of NZ-Case Refining
   b. Making C. diphtheriae inoculum
   c. Making Pertussis Working Seed in Glycerin
   d. Scale up Process for Hib conjugate
   e. BCG vaccine in Vial Packaging
   f. Making Seed Lot BCG
   g. Increased Serum yield
   h. Making a solvent for the meningitis vaccine and experimental HBV production
   i. Implementation of inspection camera for labeling
   j. Use of Automated Feeder for Box Printing.

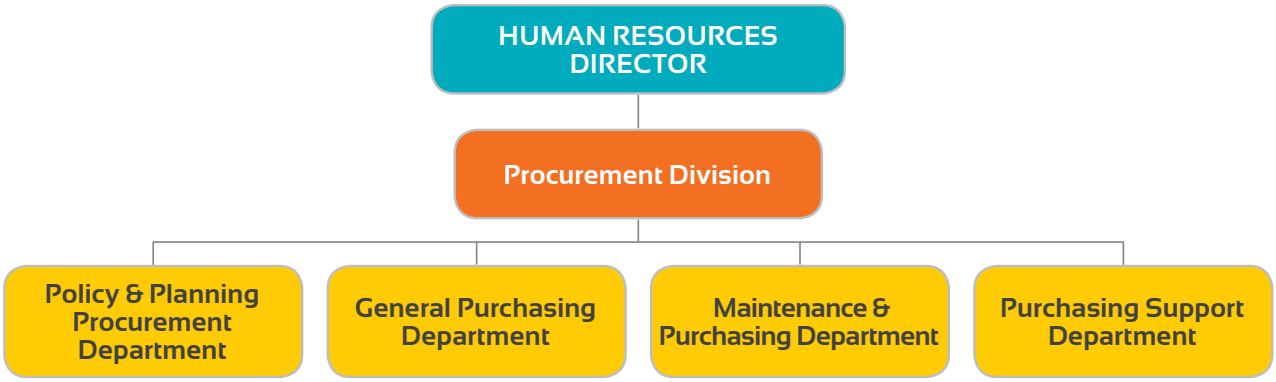
3. Surveillance and Product Evaluation

   Several surveillance activities and clinical trials were carried out in 2015, including:

   a. AFP (Acute Flaccid Paralysis) Surveillance
   b. Polio Environment Surveillance
   c. Measles surveillance to reduce measles
   d. Rotavirus surveillance
   e. Pharmacovigilance
   f. RV3 Phase II b Clinical Trials
   g. Flubio clinical trials in children
   h. Pentabio Vaccine PMS
   i. Polio research collaboration with Health Research and Development entitled "Status of Antibodies against the Polio Virus in children who received OPV and IPV in Indonesia".
   j. Clinical Trial Preparation for Pre-pandemic H5N1 Vaccine, whole cell Pneumococcal vaccine and Typhoid conjugate vaccine
   k. Diphtheria antibody titer measurement
   l. Examination of antibody titer in Employees
   m. Evaluation of antibody titer in infants 1 year post-immunization with Flubio vaccine
   n. Role of Probiotics and Influenza Vaccination in Reducing Influenza-Like Illness in the Elderly.
   o. Examination of Hemagglutination-Inhibition in a study sample.

PROCUREMENT SEGMENT

Procurement Division Organization Structure



Purchasing activities, both local and imported, in 2015 amounted to Rp1,392.15 billion, or 100.83% of budget, and an increase of 68.19% compared to realization in 2014, with a breakdown per purchase group as follows:

Purchase Group Realization Per 2015

[In million rupiah]

	REALIZATION 2013 (AUDITED)	REALIZATION 2014 (AUDITED)	SFAS 2015	2015 (AUDITED)	INCREASE/ DECREASE (%)	
Group	1	2	3	4	4/2	4/3
Chemicals	64,239.73	63,282.19	58,629.11	95,470.63	50.86	62.84
Raw Materials & Auxiliary	179,389.58	195,388.28	179,186.30	233,644.32	19.58	30.39
Laboratory Equipment	117,809.03	121,672.37	119,922.59	186,297.91	53.11	55.35
Work Equipment	5,100.36	4,766.59	5,590.96	6,027.88	26.46	7.81
Packaging & Embalage	123,769.42	130,657.86	115,495.76	142,776.25	9.27	23.62

[In million rupiah]

GROUP	REALIZATION 2013 (AUDITED) 1	REALIZATION 2014 (AUDITED) 2	SFAS 2015 3	2015 (AUDITED) 4	INCREASE/ DECREASE (%) 4/2	4/3
Maintenance Parts	88,226.22	69,777.98	114,731.01	76,455.28	9.57	(33.36)
Professional Fee	23,592.29	27,855.00	63,455.69	31,154.56	11.85	(50.90)
Investment	248,276.26	174,622.86	662,901.13	544,973.75	212.09	(17.79)
Test	4,089.29	5,415.98	4,203.14	7,008.48	29.40	66.74
General Goods	25,046.53	23,989.79	52,242.82	57,011.54	137.65	9.13
Merchandise	1,413.67	10,315.75	4,326.30	11,330.54	9.84	161.90
Total	**880,952.37**	**827,744.65**	**1,380,684.81**	**1,392,151.14**	**68.19**	**0.83**

The comparison of local purchases to imports in 2015 was 71% local and 29% imports, for which local goods also included imported goods purchased through agents in Indonesia.

Total purchase realization compared to the budget only saw changes to the composition of the goods / services group purchases, where realization for maintenance and spare parts purchasing, professional services and investment respectively reached 66.64%, 49.10% and 82.21% of budget, whereas purchases of other goods / services were above budget.

ADMINISTRATION SEGMENT

The Administration Segment has no commodities for sale, in line with the characteristics of the Administration Division, which manages the Company's strategy; this Segment does not record either net sales or profit.

KEY CORPORATE INDICATORS IN 2015

Calculations for Ten Key Corporate Indicators in 2015

NO.	DESCRIPTION	REALIZATION 2013	REALIZATION 2014	BUDGETING 2015	REALIZATION 2015
1.	Growth (%)				
	a. Revenue/Net Sales	128.94	110.27	116.66	114.77
	b. Operations Profit	139.92	106.19	119.30	115.05
	c. Profit Before Tax	149.41	99.65	114.25	115.90
2.	Return On Investment (ROI)* [%]	28.80	25.48	23.48	15.83
3.	Profit Margin (PROMA) [%]	42.00	37.96	37.03	38.33
4.	Company Productivity (COPRO) [Rp/person]	1,192,270,887	1.224.519.153	1,311,826,947	1,312,570,441
5.	Employee Productivity (EMPRO) [Rp/person]	1,945,473,637	1.998.919.897	2,073,180,221	2,095,356,607
6.	Asset Productivity (ASPRO) [%]	68.58	67.14	63.40	41.30
7.	Inventory Turn Over (ITO) [kali]	3.95	2.94	3.06	2.20
8.	Receivable Turn Over (RTO) [kali]	7.29	7.54	9.61	6.17
9.	Base Cost Productivity (BASE PRO) [%]	63.07	64.43	63.87	64.35
10.	Quality Performance Rate [%]				
	a. Product Defect	1.96	4.31	0	1.75
	b. Material Defect	0.06	0.15	0	0.15

*) KEP.210/M-PBUMN/1999

FINANCIAL PERFORMANCE

The following is a discussion of the Company's financial performance for the year ended December 31, 2015. The corresponding figures for the year ended December 31, 2014 and 2015 budget targets (SFAS 2015) are presented for the purpose of analysis or comparison.

CURRENT ASSETS, NON CURRENT ASSETS AND TOTAL ASSETS

Current Assets

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Current Assets									
Cash and Cash Equivalent	371,870	498,498	891,251	971,717	429,244	555,939	(42.79)	29.52	(415.778)
Securities Available for Sale	-	-	-	25,600	-	-	-	-	(25.600)
Trade Receivables	148,256	220,544	288,246	257,260	258,288	507,746	97.37	96.58	250.486
Other Receivables	574	28	346	850	759	822	(3.30)	8.30	(28)
Inventories	163,645	161,924	204,899	326,600	299,424	462,558	41.63	54.48	135.958
Advances	46,339	18,363	38,623	50,412	502,087	102,353	103.03	(79.61)	51.941
Prepaid Taxes	81,459	103,185	96,972	154,008	223,100	242,720	57.60	8.79	88.712
Prepaid Expenses	1,063	1,530	1,591	4,767	1,624	10,163	113.18	525.68	5.396
Security Deposits	154	-	-	-	-	-	-	-	-
Accrued Income	1,352	1,889	3,104	2,726	-	1,592	(41.59)	-	(1.134)
Other Current Assets	-	27,903	17,870	30,698	10,967	111,888	264.48	920.22	81.190
Total Non Assets	**814,712**	**1,033,864**	**1,542,901**	**1,824,639**	**1,725,493**	**1,995,781**	**9.38**	15.66	**171.142**

Bio Farma's current assets in 2015 were recorded at Rp2.00 trillion, up Rp171.14 billion or 9.38% compared to current assets in 2014, which totaled Rp1.82 trillion, and 15.66% above the SFAS figure of Rp1.72 trillion.

This increase was due to:

- An increase in the number of trade receivables from domestic customers, namely related parties and third parties.
- An increase in the number of trade receivables from third party overseas customers.
- Increased advances for the purchase of imported goods: Integrated 3 Vial Filling Line, Integrated Pentabio Filling Line, Poliovirus T1-3.64 Antibody, 2 piece Cases, Fermentor and other purchases
- Production service advances: payments in advance to employees for production services in 2015
- Import settlements: payment of insurance costs, loading and unloading costs, import documentation costs, and taxes related to the handling of imported goods from the domestic port to the Company's location.
- Other advances.

Non Current Assets

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Non Current Assets									
Deferred Tax Assets	9,694	11,746	14,447	17,874	17,880	22,087	23.57	23.53	4,213
Fixed Assets	889,758	985,019	1,126,086	1,163,473	1,817,824	3,605,537	209.89	98.34	2,442,064
Intangible Assets	13,236	13,365	20,214	37,855	64,313	36,005	(4.89)	(44.02)	(1,850)
Other Non Current Assets	6,103	1,694	956	766	1,044	21,253	2.673.41	1.935.58	20,487
Total Non Current Assets	**918,791**	**1,011,824**	**1,161,703**	**1,219,969**	**1,901,061**	**3,684,882**	**202.05**	**93.83**	**2,464,913**

Bio Farma's non-current assets in 2015 amounted to Rp3.68 trillion, up Rp2.46 trillion or 202.05% as compared to non-current assets in 2014, which totaled Rp1.22 trillion, and 93.83% above the SFAS figure of Rp1.90 trillion.

This increase was due to:

- The rising cost of land acquired
- The rising number of assets in completion:
  - Buildings: Vaccine Production and Packaging Building, Distribution Building Renovation, Main Building Renovation, Raw Water Central Tank, Transformer Room, Central Lab Building
  - Machines, plant & utility: ERS BCG Filling Line, Water Treatment Plant, Utilities – electricity for the Vaccine and Packaging Building, Packaging Line, URS SIPV, Vial Ampoule Packaging Line.
- Increased Deferred Costs for the PLN electricity grid system amortized over 4 years.

Total Assets

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Current Assets									
Cash and Cash Equivalent	371,870	498,498	891,251	971,717	429,244	555,939	(42.79)	29.52	(415,778)
Securities Available for Sale	-	-	-	25,600	-	-	(100.00)	-	(25,600)
Trade Receivables	148,256	220,544	288,246	257,260	258,288	507,746	97.37	96.58	250,486
Other Receivables	574	28	346	850	759	822	(3.27)	8.33	(28)
Inventories	163,645	161,924	204,899	326,600	299,423	462,557	41.63	54.48	135,957
Advances	46,339	18,363	38,624	50,412	502,087	102,353	103.03	(79.61)	51,941
Prepaid Taxes	81,459	103,185	96,972	154,008	223,100	242,720	57.60	8.79	88,712
Prepaid Expenses	1,063	1,530	1,591	4,767	1,624	10,163	113.18	525.68	5,396
Security Deposits	154	-	-	-	-	-	-	-	-
Accrued Income	1,352	1,889	3,104	2,726	-	1,592	(41.60)	-	(1,134)
Other Current Assets	-	27,903	17,870	30,698	10,967	111,888	264.48	920.21	81,190
Total Current Assets	**814,712**	**1,033,864**	**1,542,901**	**1,824,639**	**1,725,493**	**1,995,781**	**9.38**	**15.66**	**171,142**

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Non-Current Assets									
Deferred Tax Assets	9,694	11,746	14,447	17,874	17,880	22,087	23.57	23,53	4,213
Fixed Assets	889,758	985,020	1,126,085	1,163,473	1,817,824	3,605,537	209.89	98,34	2,442,064
Intangible Assets	13,236	13,365	20,214	37,855	64,313	36,005	(4.89)	(44,02)	(1,850)
Other Non-Current Assets	6,103	1,694	956	766	1,044	21,253	2.673.41	1,935,58	20,487
Total Non-Current Assets	**918,792**	**1,011,824**	**1,161,703**	**1,219,969**	**1,901,061**	**3,684,882**	**202.05**	**93,83**	**2,464,913**
Total Assets	**1,733,504**	**2,045,688**	**2,704,604**	**3,044,608**	**3,626,554**	**5,680,663**	**86.58**	**56,64**	**2,636,056**

Bio Farma's Total Assets in 2015 were recorded at Rp5.68 trillion, up Rp2.64 trillion or 86.58% compared to total assets in 2014, which amounted to Rp3.04 trillion, and 56.64% above the SFAS figure of Rp3.63 trillion.

This was primarily due to an increase in fixed assets of Rp2.44 trillion, a very significant rise derived from the land fixed assets amounting to Rp2.04 trillion having increased after revaluation of land on Jl. Pasteur and Cisarua Lembang, Bandung. The revaluation was carried out to obtain a fair land asset value, as well as to improve the Company's capital structure. Meanwhile, other increases of Rp322.92 billion derived from assets in execution, building inventory, plant equipment and others.

SHORT TERM LIABILITIES, LONG TERM LIABILITIES AND TOTAL LIABILITIES

Short Term Liabilities

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Current Liabilities									
Trade Payables	128,725	85,896	158,098	145,095	242,314	208,598	43.77	(13.91)	63,503
Taxes Payable	22,320	30,131	86,916	38,919	43,259	46,518	19.53	7.53	7,599
Accrued Expenses	52,862	66,464	112,781	128,280	85,970	170,308	32.76	98.10	42,028
Unearned Revenue	67	1,921	5,405	1,366	-	899	(34.23)	-	(468)
Current maturities of long-term loans	-	-	-	-	-		-	-	-
Other Current Liabilities	16,904	13,302	26,437	26,009	29,674	30,341	16.66	2.25	4,332
Total Short-Terms	**220,879**	**197,714**	**389,637**	**339,668**	**401,217**	**456,663**	**34.44**	**13.82**	**116,995**

Bio Farma booked short term liabilities in 2015 of Rp456.66 billion, an increase of Rp117.00 billion or 34.44% compared to short term liabilities in 2014 of Rp339.67 billion, and 13.82% above the SFAS figure of Rp401.22 billion.

This increase was due to:

- An increase in third party business debt: raw / auxiliary materials, investment and service procurement.
- An increase in fees to be paid:
  - Employee production services
  - Inventory in settlement for buildings, machinery and plant
  - Use of auxiliary raw materials
  - Promotion, advertising and product quality monitoring.

Long Term Liabilities

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Total Long-Terms									
Long-Term Loans	-	-	-	-	-	-	-	-	-
Estimated Employee Benefits Liabilities	34,525	41,441	103,161	136,368	68,241	152,022	11.48	122.77	15,654
Other Non Current Liabilities	-	-	-	24,882	-	27,846	11.91	-	2,964
Total Long Term Liabilities	**34,525**	**41,441**	**103,161**	**161,250**	**68,241**	**179,868**	**11.55**	**163.58**	**18,618**

Bio Farma recorded long term liabilities in 2015 of Rp179.87 billion, an increase of Rp18.62 billion or 11.55% compared to long term liabilities in 2014 of Rp161.25 billion and 163.58% above the SFAS figure of Rp68.24 billion.

This increase was due to:

- An increase in the amount of estimated liabilities for post-employment benefits: The Company has enrolled all permanent and contract employees into the pension program.
- An increase in other non current liabilities.

Total Liabilities

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Short Term Liabilities									
Trade Payables	128,725	85,896	158,098	145,095	242,314	208,598	43.77	(13.91)	63,503
Taxes Payable	22,320	30,131	86,916	38,919	43,259	46,518	19.53	7.53	7,599
Accrued Expenses	52,862	66,464	112,781	128,280	85,970	170,308	32.76	98.10	42,028
Unearned Revenue	67	1,921	5,405	1,366	-	899	(34.23)	-	(468)

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Current maturities of long-term loans	-	-	-	-	-	-	-	-	-
Other Current Liabilities	16,904	13,302	26,437	26,009	29,674	30,341	16.66	2.25	4,332
Total Short-Terms	**220,879**	**197,714**	**389,637**	**339,668**	**401,217**	**456,663**	**34.44**	**13.82**	**116,995**
Non Current Liabilities									
Long-Term Loans	-	-	-	-	-	-	-	-	-
Estimated Employee Benefits Liabilities	34,525	41,441	103,161	136,368	68,241	152,022	11.48	122.77	15,654
Total Non-Current Liabilities	-	-	-	24,882	-	27,846	11.91	-	2,964
Total Long Term Liabilities	**34,525**	**41,441**	**103,161**	**161,250**	**68,241**	**179,868**	**11.55**	**163.58**	**18,618**
Total Liabilities	**255,403**	**239,155**	**492,798**	**500,919**	**469,457**	**636,532**	**27.07**	**35.59**	**135,613**

Bio Farma booked total liabilities in 2015 totaling Rp636.53 billion, an increase of Rp135.61 billion or 27.07% compared to total liabilities in 2014 of Rp500.92 billion and 35.59% above the SFAS figure of Rp469.46 billion.

EQUITY

Equity

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	5	5/4	5/4	5-4
Equity									
Share Capital	450,000	750,000	750,000	1,250,000	1,250,000	1,650,000	32.00	32.00	400,000
Donate Capital	-	-	-	-	-	-	-	-	-
Retained Earnings (Losses)	-	-	(4,603)	-	-	-	-	-	-
- Appropriated	701,913	670,641	941,920	786,075	1,285,464	816,422	3.86	(36.49)	30,347
• Un appropriated	326,187	385,892	573,143	577,590	621,633	668,109	15.67	7.48	90,519
Other Equity Components	-	-	(48,653)	(69,976)	-	1,909,600	(2.828.93)	-	1,979,576
Total Equity	**1,478,100**	**1,806,533**	**2,211,806**	**2,543,689**	**3,157,097**	**5,044,132**	**98.30**	**59.77**	**2,500,443**
TOTAL EQUITY AND LIABILITIES	**1,733,504**	**2,045,688**	**2,704,604**	**3,044,608**	**3,626,554**	**5,680,663**	**86.58**	**56.64**	**2,636,055**

Bio Farma booked total equity in 2015 totaling Rp5.04 trillion, up Rp2.50 trillion or 98.30% compared to total equity in 2014 of Rp2.54 trillion and 59.77% above the SFAS figure of Rp3.16 trillion.

This increase was due to:

- Issued and paid-up capital increasing from 1.25 trillion (consisting of 1,250,000 shares) to Rp1.65 trillion (consisting of 1,650,000 shares) by partial capitalization of reserves on 31 December 2014 amounting to Rp400 million.
- Fixed asset revaluation profit of Rp2.04 trillion and increasing net income.

Total Liabilities and Equity

Bio Farma had total liabilities and equity in 2015 amounting to Rp5.68 trillion, up from Rp2.64 trillion or 86.58% compared to total liabilities and equity in 2014 of Rp3.04 trillion and 56.64% above the SFAS figure of Rp3.63 trillion.

SALES / REVENUES, EXPENSES AND PROFIT (LOSS), COMPREHENSIVE INCOME AND TOTAL PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME

Sales / Operating Revenue

Net sales

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Net Sales									
Company Products	1,324,600	1,433,266	1,848,806	2,028,988	2,284,372	2,329,624	14.82	1.98	300,636
Merchandise Products	1,784	1,206	1,848	10,287	4,554	11,436	11.17	151.12	1,149
Service	2,899	3,469	3,382	4,805	10,231	4,858	1.11	(52.51)	53
Total Net Sales	**1,328,729**	**1,437,642**	**1,853,682**	**2,044,080**	**2,299,157**	**2,345,918**	**14.77**	**2.03**	**301,838**

Bio Farma's net sales in 2015 amounted to Rp2.35 trillion, up Rp301.84 billion or 14.77% compared to net sales in 2014 totaling Rp2.04 trillion and 2.03% above the SFAS figure of Rp2.30 trillion.

This increase was due to: an increase in sales of the company's products of 14.82%, trade goods of 11.17% and services of 1.09%.

Product Sales Per Segment / Product Group

[In million rupiah]

DESCRIPTION	2011 GOVERNMENT	2011 PRIVATE LOCAL	2011 PRIVATE EXPORT	2011 TOTAL	2012 GOVERNMENT	2012 PRIVATE LOCAL	2012 PRIVATE EXPORT	2012 TOTAL
Product Sales								
Bacterial Vaccine	118,383.49	5,198.55	76,137.43	**199,719.47**	127,507.84	5,714.08	93,490.60	**226,712.52**
Virus Vaccine	234,821.59	4,727.30	697,421.36	**936,970.25**	177,940.90	5,887.70	755,855.63	**939,684.24**
Combination Vaccine	123,688.89	591.88	8,139.06	**132,419.83**	209,245.58	472.39	567.92	**210,285.89**
Sera & Diagnostica	-	55,489.62	-	**55,489.62**	559.28	56,022.01	-	**56,581.29**
Total	**476,893.97**	**66,007.35**	**781,697.85**	**1,324,599.17**	**515,253.59**	**68,096.19**	**849,914.15**	**1,433,263.93**
Substract: discounted sales	-	(553.59)	-	**(553.59)**	-	(297,66)	-	**(297.66)**
Product Net Sales	**476,893.97**	**65,453.77**	**781,697.85**	**1,324,045.59**	**515,253,59**	**67,798.53**	**849,914.15**	**1,432,966.27**

[In million rupiah]

DESCRIPTION	2013 GOVERNMENT	2013 PRIVATE LOCAL	2013 PRIVATE EXPORT	2013 TOTAL	2014 GOVERNMENT	2014 PRIVATE LOCAL	2014 PRIVATE EXPORT	2014 TOTAL
Product Sales								
Bacterial Vaccine	130,988.12	5,362.35	97,403.26	**233,753.74**	**98,521.50**	**7,775.69**	**111,308.25**	**217,605.45**
Virus Vaccine	183,656.34	10,267.59	1,108,928.76	**1,302,852.70**	**167,683.73**	**34,687.10**	**1,254,909.37**	**1,457,280.20**
Combination Vaccine	233,508.59	340.93	14,715.00	**248,564.51**	**273,678.13**	**2,869.79**	**-**	**276,547.91**
Sera & Diagnostica	571.44	63,063.65	-	**63,635.09**	**75.96**	**90,148.85**	**14.88**	**90,239.68**
Total	**548,724.50**	**79,034.52**	**1,221,047.02**	**1,848,806.04**	**539,959.32**	**135,481.43**	**1,366,232.50**	**2,041,673.25**
Substract: discounted sales	-	(354.39)	-	**(354.39)**	**-**	**(12,685.16)**	**-**	**(12,685.16)**
Product Net Sales	**548,724.50**	**78,680.12**	**1,221,047.02**	**1,848,451.64**	**539,959.32**	**122,796.27**	**1,366,232.50**	**2,028,988.09**

[In million rupiah]

DESCRIPTION	SFAS 2015 GOVERNMENT	SFAS 2015 PRIVATE LOCAL	SFAS 2015 PRIVATE EXPORT	SFAS 2015 TOTAL	2015 GOVERNMENT	2015 PRIVATE LOCAL	2015 PRIVATE EXPORT	2015 TOTAL
Product Sales								
Bacterial Vaccine	**133,488.98**	**6,459.81**	**157,698.23**	**305,289**	**137,172.04**	**6,748.05**	**161,368.48**	**305,288.56**
Virus Vaccine	**214,886.61**	**44,626.50**	**1,223,921.95**	**1,705,304**	**191,216.17**	**47,576.14**	**1,466,512.20**	**1,705,304.50**
Combination Vaccine	**287,685.00**	**6,279.49**	**54,740,00**	**253,405**	**242,230.81**	**3,264.85**	**7,908.54**	**253,404.20**
Sera & Diagnostica		**154,585.80**		**80,689**		**80,664.02**	**25.25**	**80,689.27**
Total	**636,060.59**	**211,951.60**	**1,436,360.18**	**2,344,687**	**570,619.02**	**138,253.05**	**1,635,814.47**	**2,344,686.54**
Substract: discounted sales				**(15,063)**		**(15,062.69)**		**(15,062.69)**
Product Net Sales	**636,060.59**	**211,951.60**	**1,436,360.18**	**2,329,624**	**570,619.02**	**123,190.36**	**1,635,814**	**2,329,623.85**

Summary of Product Sales Per Segment / Product Group

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
GROUP	1	2	3	4	5	6	6/4	6/5	6-4
Product Sales									
Bacterial Vaccine	199,719	226,713	233,754	217,605	297,647	305,289	40.29	2.57	87,684
Virus Vaccine	936,970	939,684	1,302,853	1,457,280	1,483,435	1,705,304	17.02	14.96	248,024
Combination Vaccine	132,420	210,286	248,564	276,548	348,705	253,405	(8.37)	(27.33)	(23,144)
Sera & Diagnostica	55,490	56,581	63,635	90,240	154,585	80,689	(10.58)	(47.80)	(9,550)
Total	**1,324,599**	**1,433,264**	**1,848,806**	**2,041,673**	**2,284,372**	**2,344,687**	**14.84**	**2.64**	**303,013**
Substract: discounted sales	(553)	(298)	(354)	(12,685)	-	(15,063)	18.74	-	(2,378)
Product Net Sales	**1,324,046**	**1,432,966**	**1,848,452**	**2,028,988**	**2,284,372**	**2,329,624**	**14.82**	**1.98**	**300,636**

Bacterial Vaccine Net Sales Per Segment / Product Group

Bio Farma recorded sales of bacterial vaccines in 2015 totaling Rp305.29 billion, an increase of Rp87.68 billion or 40.29% compared to bacterial vaccine sales in 2014 of Rp217.60 billion and 2.57% above the SFAS figure of Rp297.65 billion.

This increase was due to:

- Compared with the SFAS, vaccine sales increased for TT 10 ds, DTP 10 ds, BCG, Bulk Diphtheria and Bulk Pertussis respectively by 169.3%, 129.2%, 110.7%, 114.5% and 135.2%, although sales of some vaccine products were below budget, i.e. Bio TT 1 ds, Bio Td 1 ds, Td 10 ds, DT 10 ds and Bulk Tetanus respectively at 90.7%, 34.5%, 83, 2%, 49.1% and 60.9%.
- Compared to bacterial vaccine sales in 2014, sales increased for BCG, DT 10 ds, Bulk Diphtheria and Bulk Pertussis respectively at 35.6%, 16.4%, 191.0% and 116.4%, while the vaccine products TT 10 ds, and DTP 10 ds and Bulk Tetanus were almost the same as the previous year.

Viral Vaccine Net Sales Per Segment / Product Group

Bio Farma recorded sales of viral vaccines in 2015 of Rp1.70 trillion, up Rp248.02 billion or 17.02% compared to viral vaccine sales in 2014 of Rp1.46 trillion and 14.96% above the SFAS figure of Rp1.48 trillion.

This increase was due to:

- Compared to the SFAS, vaccine sales increased for tOPV 10 ds, bOPV 20 ds and Bulk Polio respectively by 149.8%, 127.1% and 128.8%. Meanwhile, non-budgeted sales of Bulk Hepatitis B-RTF amounted to Rp8.78 billion, and some vital vaccine product sales were below budget, namely tOPV 20 ds, Measles 10 ds, HBV Infant 1 di and HBV Adult 1 ds respectively by 94.0 %, 90.8%, 65.8% and 31.8%.
- Compared to viral vaccine sales in 2014, sales increased of tOPV 10 ds, bOPV 20 ds, Measles 10 ds, HBV Infant 1 ds, Flubio and Bulk Polio respectively by 36.0%, 9.9%, 7.1%, 11.9%, 104.5% and 23.8%, while sales of tOPV 20 ds vaccine were almost equal to the previous year.

Combination Vaccine Net Sales Per Segment / Product Group

Bio Farma recorded sales of combination vaccines in 2015 totaling Rp253.40 billion a reduction of Rp23.14 billion or 8.37% below combination vaccine sales in 2014 at Rp276.45 billion and 27.33% below the SFAS figure of Rp348.70 billion.

This decrease was due to:

- Compared to the SFAS, a decrease in sales of DTP-HB 5 ds, Pentabio 1 ds and Pentabio 5 ds respectively of 9.0%, 35.6% and 73.0%.

- Compared to the number of combination vaccine sales in 2014, the decline in sales of DTP-HB 5 ds and Pentabio 5 ds were respectively 94.2% and 8.7%, despite an increase in sales of Pentabio 1 ds vaccine of 3.4%.

Sera And Diagnostic Net Sales Per Segment / Product Group

Bio Farma recorded sales of sera and diagnostics in 2015 totaling Rp80.69 billion, or Rp9.55 billion or 10.58% below sales of sera and diagnostics in 2014 of Rp90.24 billion and 47.80% below the SFAS figure of Rp154.85 billion.

This decrease was due to:

- Compared to the SFAS, decreased sales of PPD 2 TU and ATS 1500 (BIOSAT - 1.5) respectively by 14.6% and 79.9%, although there were products with sales above budget, namely ABU Serum (BIOSAVE) sebesar 149,0%.
- Compared with sales of sera and diagnostics in 2014, the decline in product sales of ATS 1500 (BIOSAT - 1.5), ADS 20.00 (BIOADS) and PPD 2 TU were respectively 15,11%, 55.2% and 41,4%, despite increased product sales of ABU Serum (BIOSAVE) of 49.6%.

Net Sales of Products and Services Per Segment / Group

Product Sales

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Government									
Fluarix	-	-	-	-	-	-	-	-	-
Syringe	-	-	-	-	-	-	-	-	-
IPV	-	-	-	7,769	-	-	(100)	-	(7,769)
Sub Total	**-**	**-**	**-**	**7,769**	**-**	**-**	**(100)**	**-**	**(7,769)**
Private									
Meningitis	-	-	-	-	-	-	-	-	-
Polyvalent Snake Anti Venom	1,785	1,206	1,848	2,641	-	3,393	28.47	-	752
Syringe	-	-	-	-	-	-	-	-	-
Fluarix	-	-	-	-	-	-	-	-	-
Vaccine Yellow Fever	-	-	-	-	-	-	-	-	-
Others (less than Rp500 Million)	-	-	-	-	-	-	-	-	-
Imovac Rabies Vero	-	-	-	-	-	8,529	-	-	8,529
Sub Total	**1,785**	**1,206**	**1,848**	**10,410**	**-**	**11,922**	**14.52**	**-**	**1,512**
Less: Sales Discount	(1,34)	-	-	(122,96)	-	(485,73)	295.04	-	(363)
Total Sales of Merchandise Goods - Net	**1,784**	**1,206**	**1,848**	**10,287**	**14,785**	**11,436**	**11.17**	**(22.65)**	**1,149**

Bio Farma recorded sales of goods in 2015 totaling Rp11.44 billion or an increase of Rp1.15 billion or 11.17% over sales of goods in 2014 at Rp10.29 billion and 22.65% below the SFAS figure of Rp14.79 billion.

This increase was due to:

- Compared to the SFAS, the amout of goods sold fell but there were non-budgeted sales of Verorab of Rp8.5 billion.
- Compared to the amount of goods sold in 2014, sales increased by 15.5% of ABU II (Australia) serum, as well as sales of different products each year, which in 2015 were Verorab vaccines worth Rp8.5 billion, while in 2014 there were sales of IPV vaccine valued at Rp7.7 billion.

Sales of Services

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	**1**	**2**	**3**	**4**	**5**	**6**	**6/4**	**6/5**	**6-4**
Immunization	1,714	2,134	2,501	3,978	3,320	3,529	(11.28)	6.31	(449)
Laboratory	1,186	1,337	881	827	3,181	1,329	60.69	(58.20)	502
Polyclinic	-	-	-	-	3,730				
Sub Total	**2,900**	**3,471**	**3,382**	**4,805**	**10,231**	**4,859**	**1.11**	**(25.26)**	**53**
Less: Sales Discount	(1)	(2)	-	-		-	-		-
Total Sales of Services - Net	**2,899**	**3,469**	**3,382**	**4,805**	**10,231**	**4,858**	**1.11**	**(52.51)**	**53**
Total Sales of Product, Goods and Services - Net	**1,328,729**	**1,437,641**	**1,853,682**	**2,044,080**	**2,299,157**	**2,345,918**	**14.77**	**2.03**	**301.838**

Bio Farma recorded sales of services in 2015 amounting to Rp4.86 billion, an increase of Rp54 million or 1.11% over sales of services in 2014 of Rp4.80 billion.

This increase was due to:

- Compared to service sales in 2014 there was an increase of 1.1% and sales of laboratory services of 60.7%.

Sales of Products, Goods and Services

Bio Farma recorded sales of products, goods and services in 2015 amounting to Rp2.35 trillion, up from Rp301.84 billion or 14.77% above sales of products, goods and services in 2014 of Rp2.04 trillion and 2.03% above the SFAS figure of Rp2.23 trillion.

Net Product Sales Per Segment / Business Sector

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
GROUP	**1**	**2**	**3**	**4**	**5**	**6**	**6/4**	**6/5**	**6-4**
Government Sector	476,894	515,254	548,724	547,728	636,061	570,619	4.18	(10.29)	22.891
Private Sector	69,955	72,473	82,106	130,120	226,736	139,485	7.20	(38.48)	9.365
Export Sector	781,880	849,914	1,222,852	1,366,232	1,436,360	1,635,814	19.73	13.89	269.582
Total Net Sales	**1,328,729**	**1,437,641**	**1,853,682**	**2,044,080**	**2,299,157**	**2,345,918**	**14.77**	**2.03**	**301.838**

Product Sales Segment / Sector, Government

Bio Farma recorded product sales in the government segment / sector in 2015 amounting to Rp570.62 billion, an increase of Rp22.89 billion or 4.18% above that of 2014, which amounted to Rp547.73 billion, and 10.29% below the SFAS figure of Rp636.06 billion.

This increase was due to:

- Compared to the SFAS, product sales fell in the government segment (sector) due to changes in forecast demand, such as sale of the vaccines BCG, TT 10 ds, tOPV 10 ds and measles 10 ds respectively at 110.5% , 188.8%, 166.0% and 132.6% of budget, while Td 10 ds, DT 10 ds, HBV Infant 1 ds and Pentabio 5 ds each reached 73.8%, 42.0%, 64.5% and 47.1% respectively of budget and there were no sales of bOPV 20 ds vaccine, which had been budgeted at Rp29.73 billion.
- Compared with 2014 realization of product sales there was a rise of 4.18% mainly due to increases in sales of the vaccinces BCG, Td 10 ds, tOPV 10 ds, Measles 10 ds and HBV Infant 1 ds respectively by 38.3%, 289.0%, 10.0%, 19.6% and 10.4%, while sales of TT 10 ds vaccine, DT 10 ds and Pentabio 5 ds were almost the same as realization in 2014.

Product Sales Per Segment / Sector, Private

Bio Farma recorded sales of products to the private segment (sector) in 2015 amounting to Rp139.48 billion, an increase of Rp9.36 billion, or 7.20% above product sales in the private segment (sector) in 2014 of Rp130.12 billion and 38.48% below the SFAS figure of Rp226.74 billion.

This was due to:

- Compared with the SFAS, this was caused by almost all vaccine product sales being under the budget, such as Td 10 DS, DT 10 ds, DTP 10 ds, HBV Adult 1 ds, Flubio 1 ds, DTP-HB 5 ds, Pentabio 1 ds, ATS 1500 (BIOSAT 1.5), ADS 20000 (BIOADS), PPD 2 TU, ABU II (Australia) serum, laboratory services respectively at 55.0%, 34.1%, 13.9%, 31.8%, 81.3%, 9.0%, 35.6%, 79.9%, 94.1%, 14.6%, 63.8% and 41.8%, except for BCG Infant 20 ds, TT 10 ds, tOPV 10 ds, measles 10 ds, HBV Infant 1 ds, ABU (BIOSAVE) serum and immunization services respectively of 113.9%, 237.6%, 120.7%, 143.5%, 212.2%, 148.8% and 106.3%.
- Compared with 2014 realization for product sales there was an increase of 7.20% mainly due to an increase in vaccine sales of tOPV 10 ds, HBV Infant 1 ds, Flubio 1 ds, Pentabio 1 ds, ABU (BIOSAVE) serum, ABU II (Aust) serum and laboratory services each rising by 6.7%, 60.4%, 104.5%, 3.4%, 49.5%, 15.5% and 60.7%.

Product Sales Per Segment (Sector), Export

Bio Farma recorded product sales in the export segment (sector) in 2015 totaling Rp1.64 trillion, up Rp269.58 billion or 19.73% from export product sales in 2014 of Rp1.37 trillion and 13.89% below the SFAS figure of Rp1.44 trillion.

This increase was due to:

- Compared to the SFAS, this was due to export sales denominated in rupiah reaching 113.9% or, if denominated in USD foreign currency reaching 100.76% mainly derived from increased sales of the vaccines TT 10 ds, Bio TT 1 ds, DTP 10 ds, tOPV 10 ds, bOPV 20 ds, Bulk Diphtheria, Pertussis and Polio respectively by 152.9%, 115.5%, 129.7%, 134.2%, 127.1%, 114.5%, 135.2% and 128.8%.
- Compared to realization in 2014, export sales denominated in rupiah rose by 19.7%, on in USD by 5.7%, mainly from increased sales of the vaccines Bio TT 1 ds, Td 10 ds, tOPV 10 ds, bOPV 20 ds, Bulk diphtheria, pertussis and polio respectively by 10.8%, 147.0%, 101.7%, 9.9%, 191.0%, 116.4% and 23.8%.

Operating expenses

Cost of Sales for the Company's Products

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	**1**	**2**	**3**	**4**	**5**	**6**	**6/4**	**6/5**	**6-4**
Production Expenses	563,141	586,917	743,600	882,769	923,821	962,608	9.04	4.20	79,839
Work in Process									
At the Beginning of the Year	31,262	48,087	34,134	46,676	70,354	97,889	109.72	39.14	51,213
At the End of the Year	(48,087)	(34,134)	(46,676)	(97,889)	(131,675)	(222,475)	127.27	68.96	(124,586)
Cost of Goods Manufactured	**546,316**	**600,870**	**731,059**	**831,555**	**862,500**	**838,022**	**0.78**	**(2.84)**	**6,467**
Finished Good									
At the Beginning of the Year	43,743	31,059	46,963	42,582	60,534	65,775	54.47	8.66	23,193
Out of Date/Damaged	(16,357)	(3,229)	(14,561)	(38,040)	-	(16,833)	(55.75)	-	21,207
Promotion, Damages, Donated, Replacement and Self Consumptions	(7,185)	(837)	(792)	(1,234)	-	(738)	(40.16)	-	495
Cost of Goods Available for Sale	**566,516**	**627,863**	**762,668**	**834,863**	**923,034**	**886,225**	**6.15**	**(3.99)**	**51,362**
Sold for Immunization	(440)	(684)	(1,623)	(1,479)	(628)	(703)	(52.51)	11.88	777
Inventory at the end of the Year	(31,059)	(46,963)	(42,582)	(65,775)	(81,552)	(33,162)	(49.58)	(59.34)	32,614
Cost of Sales of the Company's Products	**535,017**	**580,216**	**718,463**	**767,609**	**840,854**	**852,361**	**11.04**	**1.37**	**84,752**

In 2015, Bio Farma recorded cost of sales of company products of Rp852.36 billion, an increase of Rp84.75 billion or 11.04% above the cost of goods sold in 2014 of Rp767.61 billion and 1.37% above the SFAS figure of Rp840.85 billion.

This increase was due to:

- Increased direct production costs: raw material use, employees.
- Increased indirect production costs: raw material use, auxiliary material use, employees, employee social benefits, business travel, professional services, maintenance and repairs, insurance, depreciation and amortization, offices, human resource improvement and development
- Increased production costs: cost of production, cost of goods available for sale.



Cost of Sales for Goods

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Inventories at the Beginning of The Year	195	84	40	34	-	1,313	3,746.89	-	1,279
Purchases	1,088	666	1,414	10,332	-	13,176	27.52	-	2,844
Available for Sale	1,282	749	1,453	10,366	-	14,489	39.77	-	4,123
Out of Date/Damaged	(29)	(1)	(9)	-	-	-	-	-	-
Used for Promotion, Replacement, Self Consumption and Donation	-	(1)	-	-	-	(1,089)	-	-	(1,089)
Used for Immunization	(322)	(190	(262)	(226)	-	(224)	(0.59)	-	1
Inventories at the End of The Year	(84)	(40)	(34)	(1,313)	-	(2,011)	53.08	-	(697)
Total of Cost of Sales of Merchandise Goods	**848**	**518**	**1,148**	**8,827**	**11,992**	**11,165**	**26.48**	**(6.90)**	**2,338**

In 2015, Bio Farma recorded cost of sales for goods amounting to Rp11.16 billion, an increase of Rp2.34 billion or 26.49% over the cost of sales for goods in 2014 of Rp8.83 billion and 6.90% below the SFAS figure of Rp11.99 billion.

This increase was due to: increased inventory at the beginning of the year and purchases.



Cost of Sales for Services

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	**1**	**2**	**3**	**4**	**5**	**6**	**6/4**	**6/5**	**6-4**
Employee	2,042	1,952	1,414	914	-	1,602	75.19	-	688
Products used for Immunization	440	684	1,623	1,479	-	703	(52.51)	-	(777)
Product usage So for Immunization	322	190	262	226	-	224	(0.59)	-	(1)
Merchandise Goods used for Immunization	58	83	187	150	-	45	(70.14)	-	(105)
Traveling	103	89	53	66	-	148	124.13	-	82
Depreciation of Fixed Assets	69	73	116	218	-	229	4.90	-	11
Repairs and Maintenance	17	31	181	14	-	46	219.37	-	32
Insurances	1	1	1	2	-	2	21.42	-	0
Office	46	66	128	56	-	182	222.64	-	126
Others	36	13	17	528	-	781	47.98	-	253
Total Cost of Services	**3,133**	**3,183**	**3,986**	**3,654**	**4,840**	**3,962**	**8.43**	**(18.31)**	**308**
Total cost of sales of products, merchandise and services	**538,998**	**583,917**	**723,597**	**780,090**	**852,846**	**867,488**	**11.20**	**1.72**	**87,398**

In 2015, Bio Farma recorded service costs of Rp3.96 billion, an increase of Rp308 million or 8.43% above the cost of services in 2014 of Rp3.65 billion. This increase was due to: increasing employee service costs, business travel, fixed asset depreciation, maintenance and repairs, insurance and others.

Total Cost of Sales for Products, Goods & Services

In 2015, Bio Farma recorded cost of sales for products, goods and services amounting to Rp867.49 billion, an increase of 87.40 billion, or 11.20% above the cost of sales for products, goods and services in 2014 of Rp780.09 billion.

The cost of sales for goods and services was 26.14% above budget due to Cost of Goods realization of 159.2%, in line with realized goods sales amounting to 251,12%, primarily from sales of the Verorab vaccine.

Compared to 2014, cost of sales realization for goods and services increased by 21.20% due to the 25.8% increase in cost of goods due to higher goods sales of 15.9%, namely Rp8.53 billion sales of Verorab, while in 2014 no Verorab was sold, however, IPV vaccines were sold to a value of Rp7.77 billion.

Profit (Loss), Other Comprehensive Income and Total Profit (Loss) and Other Comprehensive Income

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
GROSS PROFIT	1	2	3	4	5	6	6/4	6/5	6-4
Laba (Rugi) Kotor	**789,731**	**853,724**	**1,130,085**	**1,263,991**	**1,446,311**	**1,478,430**	**16.97**	**2.22**	**214,439**
Other Income	62,660	53,159	152,838	**118,630**	**24,971**	**129,064**	8.80	416.86	10,434
General and Administrative Expenses	(206,088)	(227,583)	(304,313)	**(349,010)**	**(366,362)**	**(421,759)**	20.84	15.12	(72,749)
Selling Expenses	(128,095)	(58,592)	(90,431)	**(99,182)**	**(138,893)**	**(126,818)**	27.86	8.69	(27,636)
Research, Developments and Surveillance Expenses	(68,793)	(78,262)	(68,318)	**(88,779)**	**(110,304)**	**(93,442)**	5.25	(15.29)	(4,663)
Other Expenses	(41,643)	(21,346)	(58,873)	**(69,748)**	**(4,254)**	**(66,201)**	(5.09)	1.456.21	3,547
Total	**(381,959)**	**(332,624)**	**(351,496)**	**(488,089)**	**(594,841)**	**(579,156)**	**18.66**	**2.64**	**(91,067,97)**
Income (Loss) Before Income Tax	**407,772**	**521,100**	**778,589**	**775,902**	**851,470**	**899,273**	**15.90**	**5.61**	**123,371,59**
Benefit (Expense) Income Tax									
Current Tax	(105,826)	(137,261)	(207,288)	**(197,136)**	**(231,542)**	**(232,893)**	18.14	0.58	(35,757)
Deferred Tax	473	2,053	1,166	**3,427**	**1,705**	**4,213**	22.93	147.12	786
Total Tax Expenses	**(105,353)**	**(135,208)**	**(206,121)**	**(193,709)**	**(229,837)**	**(228,681)**	**18.05**	**(0.50)**	**(34,972)**
Net Income (Loss)	**302,419**	**385,892**	**572,468**	**582,193**	**621,633**	**670,593**	**15.18**	**(7.88)**	**88,399,78**
Other Comprehensive Income									
Items can not be reclasified Income (Loss)									
Surplus Revaluation Fixed Assets-Net	-	-	-	**-**	**-**	**1,980,782**	-	-	2,042,043
Measurement of Liabilities Provision Post-Employee	-	-	-	**(21,701)**	**-**	**(828)**	(96.18)	-	20,873
Items that will reclasified Income (Loss)									
Profit (Loss) Unrealized Ownership Securities for Sale	-	-	-	**377**	**-**	**-**	-	-	-
Other Comprehensive Income After Tax	-	-	-	**(21,324)**	**-**	**1,979,954**	(9.385.40)	-	2,001,276,89
Comprehensive Income Current Year	**302,419**	**385,892**	**572,468**	**560,869**	**621,633**	**2,650,546**	**372.58**	**326.38**	**2,089,676,67**

Gross Profit (Loss)

In 2015, Bio Farma recorded a gross profit (loss) of Rp1.48 trillion, an increase of Rp214.44 billion or 16.97% above profit before income tax in 2014 of Rp1.26 trillion and 2.22% above the SFAS figure of Rp1.45 trillion.

Profit Before Income Tax

In 2015, Bio Farma recorded profit before income tax of Rp899.27 billion, an increase of Rp123.37 billion or 15.90% above profit before income tax in 2014 of Rp775.90 billion and 5.61% above the SFAS figure of Rp851.47 billion. This rise was caused by increased general and administrative expenses and cost of sales.

Total Profit (Loss)

In 2015, Bio Farma recorded net profit (loss) of Rp670.59 billion, an increase of Rp88.40 billion from 2014. The net profit margin reached 28.59% and, compared to realization in 2014 of Rp582.19 billion, increased by 15.18%, which was lower than sales realized due to increased administrative and general costs, in particular tax costs due to land revaluation of Rp61.26 billion. It was 7,88% above the SFAS figure of Rp621.63 billion.

Other Comprehensive Income

Other Comprehensive Income After Taxes for the Current Year

In 2015, Bio Farma recorded other comprehensive income after taxes for the current year of Rp1.98 trillion, an increase of Rp2.00 trillion.

This was caused by:

- Revaluation of surplus fixed assets (revaluation of surplus fixed assets represents the difference between of the fair value of revalued land to obtained value)
- Remeasurement of estimated liabilities for post-employment benefit gains (losses) on holdings of shares available for sale. This remeasurement has arisen from changes to the accounting policy related to the implementation of Indonesian Financial Accounting Standards (SFAS) 24 (revised 2013) "Employee Benefits".

Total Comprehensive Income for the Current Year

In 2015, Bio Farma recorded total comprehensive income for the current year amounting to Rp2.65 trillion, an increase of Rp2.07 trillion or 372.58% above total comprehensive income for 2014 of Rp560.87 billion and 326.38% below the SFAS figure of Rp621.63 billion.

This increase was caused by rising general and administrative expenses and cost of sales.



Cash flow

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Cash Flows from Financing Activities									
Cash receipts from customers	1,339,426	1,375,334	1,800,735	2,108,672	2,260,866	2,106,478	(0.10)	(6.83)	(2,194)
Tax Income (Restitution)	-	-	-	(314,959)	(333,408)	(297,534)	(5.53)	(10.76)	17,425
Interest Receipts	4,269	3,138	12,823	35,395	24,100	37,422	5.73	55.28	2,028
Cash Received from Grant/WHO's Donations	3,103	1,767	1,278	4,989	-	800	(83.96)	-	(4,189)
Other Receipts (Payments) - Net	3,064	2,405	(19,156)	11,673	871	(23,774)	(303.67)	(2,828.47)	(35,447)
Cash Received from Insurance Claims	10	-	-	107	-	-	(100.00)	-	(107)
Payment of Interest	(2,779)	-	-	-	-	-	-	-	-
Payment of Tantiem	(4,796)	(5,867)	(6,980)	(9,727)	(17,521)	(13,737)	41.23	(21.60)	(4,010)
Payment for Taxes	(95,037)	(139,777)	(151,969)	-	-	-	-	-	-
Cash Paid to Suppliers and Employees	(907,844)	(858,357)	(1,003,850)	(1,330,310)	(1,282,520)	(1,584,191)	19.08	23.52	(253,880)
Net Cash Provided (Used) by Operating Activities	**339,416**	**378,642**	**632,880**	505,839	652,388	225,465	**(55.43)**	**(65.44)**	**(280,374)**
Cash Flows from Investing Activities									
Purchase of Fixed Assets	(269,330)	(208,859)	(192,644)	(163,149)	(1,014,719)	(535,175)	228.03	(47.26)	(372,026)
Placement of Security Deposit	154,16	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	(1,250)	(1,816)	(6,671)	(20,578)	(9,007)	(3,962)	(80.74)	(56.01)	16,616
Proceeds from Sale of Fixed Assets	274	20	138	(25,000)	25,167	25,000	(200.00)	(0.66)	50,000
Net Cash Provided (Used) by Investing Activities	**(270,307)**	**(210,656)**	**(199,176)**	(208,727)	(998,560)	(514,137)	**146.32**	**(48.51)**	**(305,410)**

[In million rupiah]

DESCRIPTION	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
	1	2	3	4	5	6	6/4	6/5	6-4
Cash Flows from Financing Activities									
Short-Term Loan Receipts	-	-	-	-	-	-	-	-	-
Short-Term Loan Payments	-	-	-	-	-	-	-	-	-
Payment of Dividends	(24,567)	(45,363)	(105,178)	(228,987)	(110,536)	145,015	(163.33)	(231.19)	374,002
Payment for Partnership Program	(9,827)	(12,097)	(8,760)	-	-	4,712	-	-	-
Community Programs Donation Capital from WHO	-	-	-	-	-	-	-	-	-
Long-Term Loan Receipts	-	-	-	-	-	-	-	-	-
Long-Term Loan Payments	(101,000)	-	-	-	-	-	-	-	-
Net Cash Provided (Used) by Financing Activities	**(135,394)**	**(57,460)**	**(113,938)**	**(228,987)**	**(110,536)**	**149,727**	**(34.61)**	**35.46**	**79,261**
Net Increase (Decrease) in Cash	**(66,285)**	**110,527**	**319,765**	**68,125**	**(456,707)**	**(438,398)**	**(743.52)**	**(4.01)**	**(506,523)**
Effect of Foreign Exchange Rate Changes	(5,972)	16,100	72,988	12,341	-	22,621	83.29	-	10,279
Cash and Cash Equivalents at the Beginning of the Year	444,127	371,870	498,498	891,251	885,951	971,717	9.03	9.68	80,466
Cash and Cash Equivalents at The End of The Year	**371,870**	**498,498**	**891,251**	**971,717**	**429,244**	**555,939**	**(42.79)**	**29.52**	**(415,778)**

Cash Flow from Operating Activities

In 2015, Bio Farma recorded cash flow from operating activities totaling Rp225.46 billion, down Rp280.37 billion or 55.43% below cash flow from operating activities in 2014 of Rp505.84 billion and 65.44% below the SFAS figure of Rp652.39 billion. This decrease was due to lower receipts of grants / donations from WHO, Other Receipts (Payments) - net.

Cash Flow from Investments

In 2015, Bio Farma recorded cash flow from investments totaling Rp514.14 billion, an increase of Rp305.41 billion or 146.32% higher than cash flow from investment in 2014 of Rp208.73 billion and 48.51% below the SFAS figure of Rp998.56 billion. This was caused by increased purchases of fixed assets, receipts of financial assets available for sale.

Cash Flow from Financing

In 2015, Bio Farma recorded cash flow from financing amounting to Rp149.73 billion, an increase of Rp79.26 billion or 34.61% below cash flow from financing in 2014 of Rp228.99 billion and 35.46% below the SFAS figure of Rp110.53 billion. This was caused by lower dividend payments.

ABILITY TO PAY DEBT AND TRADE COLLECTIBLES LEVEL

ABILITY TO PAY SHORT TERM & LONG TERM DEBTS

The ability to pay liabilities is reflected in the ratio of short term liabilities to equity, which stood at 9.05% in 2015. This ratio was an improvement on than the 13.35% in 2014. Meanwhile, the ratio of long term liabilities to equity decreased from 6.34% in 2014 to 3.57% in 2015.

The overall ratio of total liabilities to equity ratio was better than in 2014, moving from 19.69% in 2014 to 12.62% in 2015. This was due to a decrease in income advances of 34.21%, to Rp899 million from Rp1.37 billion.

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Current Liabilities									
Trade Payables	128,725	85,896	158,098	145,095	242,314	208,598	43.77	(13.91)	63,503
Taxes Payable	22,320	30,131	86,916	38,919	43,259	46,518	19.53	7.53	7,599
Accrued Expenses	52,862	66,464	112,781	128,280	85,970	170,308	32.76	98.10	42,028
Deferred Revenue	67	1,921	5,405	1,366	-	898,71	(34.23)	-	(467)
Current maturities of long-term loans	-	-	-	-	-	-	-	-	-
Other Current Liabilities	16,904	13,302	26,437	26,009	29,674	30,341	16.66	2.25	4,332
Total Current Liabilities	**220,879**	**197,714**	**389,637**	**339,668**	**401,217**	**456,663**	**34.44**	**13.82**	**116,955**
Non Current Liabilities									
Long_Term Loans	-	-	-	-	-	-	-	-	-
Estimated Employee Benefits Liabilities	34,525	41,441	103,161	136,368	68,241	152,022	11.48	122.78	15,654
Other Non Current Liabilities	-	-	-	24,882	-	27,846	11.91	-	2,964
Total Non-Current Liabilities	**34,525**	**41,441**	**103,161**	161,250	68,241	179,868	**11.55**	**163.58**	**18,618**
Total Liabilities	**255,404**	**239,155**	**492,798**	500,919	469,457	636,532	**27.07**	**35.59**	**135,613**
Equity									
Share Capital	450,000	750,000	750,000	1,250,000	1,250,000	1,650,000	32.00	32.00	400,000
Profit and Loss									
- Appropriated	701,913	670,641	941,919	786,075	1,285,464	816,422	3.86	(36.49)	30,347
- Unappropriated	326,187	385,892	573,143	577,590	621,633	668,109	15.67	7.48	90,519
Other Equity Components	-	-	(48,653)	(69,976)	-	1,909,600	(2.828.93)	-	1,979,576
Total Equity	**1,478,100**	**1,806,533**	**2,211,806**	2,543,689	3,157,097	5,044,132	**98.30**	**59.77**	**2,500,443**
Total Liabilities and Equity	**1,733,504**	**2,045,688**	**2,704,604**	3,044,608	3,626,554	5,680,663	**86.58**	**56.64**	**2,636,055**
Debt to Equity	**17,65%**	**13,24%**	**19,34%**	19,69%	14,87%	12,62%	**(37.17)**	**(16.65)**	**(0,07)**

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Short term Liabilities/ Equity	14.94	10.94	17.62	13.35	12.71	8.84	(33.84)	(30.48)	(4.52)
Long term Liabilities/ Equity	2.34	2.29	4.66	6.34	2.16	3.56	(43.86)	64.64	(2.78)
Total Liabilities and Equity	17.28	13.24	22.28	19.69	14.87	12.39	(37.06)	(16.65)	(7.30)

ACCOUNTS RECEIVABLE COLLECTABILITY

Receivables Collectability

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
DESCRIPTION	1	2	3	4	5	6	6/4	6/5	6-4
Collection Period [day]	40.73	55.99	56.76	45.94	41.00	79.00	71.96	92.68	33.06
Average A/R [times]	8.96	6.52	6.43	7.95	8.90	4.62	(41.88)	(48.09)	(3.33)

Receivables collectability is influenced by Bio Farma's ability to collect receivables. At the end of 2015, the collection period showed an increase of 71.96% to 79 days compared to 45.94 days in 2014. To reduce the risk of buyer default, Bio Farma implements a policy for distributors that do not make payments or make late payments, as follows:

1. A penalty of 1% of the invoice amount for each day of delay in payment calculated based on calendar days (listed in article 12 of the distributorship agreement)
2. Goods to be sent are detained until a payment is received (SOP and distributorship agreements)
3. Claims are made on the bank guarantees of such distributors; the claims are filed by the Private Sales Department to Financial Administration, which submits the claim to the Bank or Insurance issuing the Bank Guarantee. (Bank Guarantee information is noted in Article 12 of the Distributorship Agreement and SOP).
4. The amount of the bank guarantee is determined by Marketing.

CAPITAL STRUCTURE AND CAPITAL STRUCTURE POLICY

The objective of the Company managing its capital is to safeguard business continuity so that the Company is able to provide maximum results to shareholders and benefit to other stakeholders by maintaining an effective capital structure.

To maintain the capital structure, the Company may adjust the amount of dividends paid to shareholders. The company should monitor capital based on the ratio of debt to equity. This ratio is calculated by dividing total debt by total capital. Debt is the amount of liabilities in the consolidated financial statement.

Capital consists of all existing equity components as stated in the consolidated financial statement. The capital structure is a balance between own capital use and loans / debts, comprising short term and long term debt.

Therefore, Bio Farma sets the optimal capital structure policy to maximize value for the Company.

During 2015, Bio Farma's strategy was to maintain the maximum debt to equity ratio, which resulted in the liabilities to equity ratio of 19.69% in 2014 falling to 12.62% in 2015.

The ratio of debt to equity on December 31, 2015 and December 31, 2014 was as follows:

DEBT RATIO TO CAPITAL

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015
DESCRIPTION	**1**	**2**	**3**	**4**	**5**	**6**
Total Liabilities	255,404	239,155	438,008	500,919	469,457	636,532
Total Equity	1,478,100	1,806,533	2,211,806	2,543,689	3,157,097	5,044,132
Debt to Capital Ration	**17.28**	**13.24**	**22.28**	**19.69**	**14.87**	**12.62%**

CAPITAL STRUCTURE

[In million rupiah]

	2011		2012		2013		2014		2015	
DESCRIPTION	**Rp**	**%**	**Rp**	**%**	**Rp**	**%**	**Rp**	**%**	**Rp**	**%**
Current Liabilities	220,879	12.74	197,714	9.66	389,637	14.41	339,668	11.16	456,663	8.04
Non-Current Liabilities	34,525	1.99	41,441	2.03	48,371	1.83	161,250	5.30	179,868	3.17
Total Liabilities	**255,404**	**14.73**	**239,155**	**11.69**	**438,008**	**16.53**	500,918	16.45	636,532	11.21
Equity	1,478,100	85.27	1,806,533	88.31	2,211,806	83.47	2,543,689	83.55	5,044,132	88.79
Total Liabilities and Equity	**1,733,504**	**100.00**	**2.045.688**	**100.00**	**2.649.814**	**100.00**	3,044,608	100.00	5,680,663	100.00

LIQUIDITY

[In million rupiah]

	2011	2012	2013	2014	2015	INCREASE/ DECREASE (%)
DESCRIPTION	**1**	**2**	**3**	**4**	**5**	**5/4**
Current Assets	814,712	1,033,864	1,542,901	1,824,639	1,995,781	9.38
Current Liabilities	220,879	197,714	389,637	339,668	456,663	34.44
Ratio	268.5	422.91	295.98	437.18	337,03	(72.77)

MATERIAL COMMITMENTS FOR CAPITAL GOODS INVESTMENT IN THE LAST FINANCIAL YEAR

PURPOSE OF COMMITMENTS

During 2015, Bio Farma entered into material commitments for capital investment with several partners for the purpose of procurement associated with WHO & GMP Assessment Ratings, Replacements, WWTP / OHS / Environment, Capacity Building, Research and Development and New Products.

Realized investment in 2015 amounted to Rp544.97 billion, or 82.21% of budget, an increase of 212.09% compared with realization in 2014 of Rp174.62 billion. See discussion under "Capital Goods Investment in the Financial Review (Realized Capital Goods Investment in the Last Financial Year)."

SOURCE OF FUNDS USED TO MEET COMMITMENTS

Funding sources for capital expenditures was derived from the Company's internal funds.

CURRENCY DENOMINATION

The reporting currency used in the preparation of these financial statements is Rupiah. Transactions in foreign currencies are translated into Rupiah using the exchange rate as of the transaction date.

Gains or losses arising from the translation of financial assets and liabilities denominated in foreign currencies are recognized in the comprehensive profit and loss statement for the current year.

In the financial position statement, finances denominated in foreign currencies are translated into Rupiah using the Bank Indonesia mid rate on such date, as follows:

	2012	2013	2014	2015
	Rp	Rp	Rp	Rp
1 Euro (EUR)	12,809.86	16,821.44	15,133.26	15,069.67
1 Dollar America (USD)	9,670.00	12,189.00	12,440.00	13,759.00
1 Dollar Australia (AUD)	10,025.39	10,875.66	10,218.22	10,064.16
1 Dollar Singapore (SGD)	7,907.12	9,627.99	9,422.10	9,751.19
1 Poundsterling Englang (GBP)	15,578.86	20,096.63	19,370.33	20,451.11
1 Frank Swiss (CHF)	10,596.70	13,731.78	12,582.82	13,951.29
1 Danish Krone Denmark (DKK)	1,717.16	2,254.99	2,031.90	2,019.32
1 Yen Japan (JPY)	111.97	116.17	104.24	114.52

STEPS PLANNED BY THE COMPANY TO PROTECT ITSELF FROM THE RISK OF RELATED FOREIGN CURRENCY POSITIONS

The main financial risks faced by the Company are credit risk, currency risk, interest rate risk and liquidity risk. Through a risk management approach, the Company tries to minimize the potential negative impact of these risks.

A currency risk is the risk of fluctuations in the value of financial instruments due to changes in foreign currency exchange rates.

Fluctuations in the exchange rate of the Rupiah against foreign currencies could have an impact on our financial condition.

To date, the steps undertaken by the Company to cover the risk of exchange rate changes has been by applying a natural hedging policy; the company is still studying the impact of hedging against changes in financial transactions.

CAPITAL GOODS INVESTMENT

TYPE OF CAPITAL GOODS INVESTMENT

Bio Farma's capital investments consist of two (2) types, as follows:

1. Investment By Use, covering:
   a. Routine:
      - WHO & GMP Assessment
      - Replacements
      - WWTP / OHS / Environment / QC
   b. Development:
      - Capacity increases
      - Research and development
      - New products
2. Investments By group, covering:
   a. Office inventory
   b. Plant inventory
   c. Machine inventory
   d. Utilities inventory
   e. Building inventory
   f. Vehicle inventory
   g. Intangible assets
   h. Land

Bio Farma's financial strategy is focused on managing funds effectively and efficiently and continuing to improve growth.

In 2015, Bio Farma began to prepare new land for its Life Science Park in Jasinga, Bogor, West Java. During the reporting period, Corporate Social Responsibility (CSR) activities have taken place, including providing access to medicine and clean water treatment to support communities, in coordination with the local government. In addition, to increase capital goods investment, Bio Farma conducted research, development and surveillance. Ongoing investment in 2015 included construction of the Vaccine Production and Packaging Facility Building, Restoration of a Heritage Building and Renovation of the Distribution Building (Distribution and Administration facilities), Integrated BCG Filling Line, and Integrated WTP and Packaging Line.

Bio Farma's investment policy focuses on smooth running operations and the fulfillment of the company's long-term objectives. The types of capital investment made are primarily for development projects and take the form of machinery and equipment.

CAPITAL GOODS INVESTMENT OBJECTIVE

The purpose of capital goods investment for the future development of the Company is to increase the Company's value through production capacity expansion, increase production efficiency and diversify business lines.

CAPITAL GOODS INVESTMENT VALUE IN THE LAST FISCAL YEAR

Throughout 2015, realized investment reached Rp544.97 billion, or 82.21% of budget, an increase of 212.09% compared to realization in 2014 of Rp174.62 billion. This increase was partly due to the completion of investment shifted to 2016 amounting to Rp118.25 billion. Of total investment realization, some is still in the implementation stage with an investment value of Rp415.15 billion comprised of; the Vaccine Production Facility and Packaging Building, Heritage Building Restoration and Renovation of the Distribution Building (Distribution and Administration facilities), Integrated BCG Filling Line, Integrated WTP and Packaging Line.

Details are as follows:

Investment Per Group

Investment Realization Based on Usage

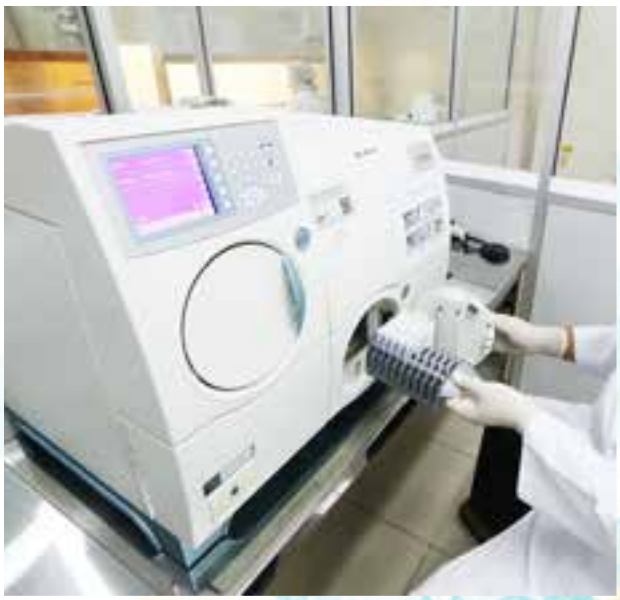
[In million rupiah]

	ROUTINE					
	2011	2012	2013	2014	2015	INCREASE/ DECREASE (%)
INVESTMENT GROUP	1	2	3	4	5	5/4
WHO & GMP assessment						
Office Equipment	395	180	1,013	1,327	1,867	40.65
Factory Equipment	87,483	32,533	29,005	20,451	28,779	40.72
Others Equipment	-	-	-	107	595	456.07
Building Equipment	48,364	6,715	20,580	1,354	43,073	3,080.28
Vehicle	-	-	-	-	-	-
Intangible Assets	-	-	56	7,632	-	-
Land	-	-	-	-	-	-
Total	**136,242**	**39,428**	**50,654**	**30,873**	**74,314**	**140.71**
Replacements						
Office Equipment	3,141	5,507	5,620	17,876	7,860	(56.03)
Factory Equipment	10,570	4,702	26,533	8,661	13,700	58.18
Others Equipment	1,212	6,843	10,538	1,692	983	(41.92)
Building Equipment	2,796	1,540	2,123	909	807	(11.23)
Vehicle	745	-	-	750	384	(48.80)
Intangible Assets	-	-	-	-	-	-
Total	**18,464**	**18,592**	**44,814**	**29,889**	**23,734**	**(20.59)**
IPAL/K3/Environment/Quality Control						
Office Equipment	84	340	728	832	738	(11.27)
Factory Equipment	5,537	1,713	479	9,277	13,706	47.75
Others Equipment	-	-	-	-	-	-
Building Equipment	1,363	642	425	25	378	1.433.47
Vehicle	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-
Total	**6,984**	**2,695**	**1,632**	**10,133**	**14,822**	**46.27**

	DEVELOPMENT					
	2011	2012	2013	2014	2015	INCREASE/ DECREASE (%)
INVESTMENT GROUP	1	2	3	4	5	5/4
Capacity Upgrades						
Office Equipment	1,644	259	3589	12,115	2,879	(76.24)
Factory Equipment	6,150	611	8,067	13,758	160,586	1,067.22
Others Equipment	949	2,083	5,009	2,795	51,32	1,475.63
Machinery	9,737	21,952	90,904	37,561	180,371	380.21
Vehicle	-	-	-	-	-	-
Intangible Assets	2,168	518	6,655	2,880	3,880	34.72
Land	**20,648**	**25,423**	**114,224**	69,109	399,038	**477.40**
R&D/ Basic Research						
Office Equipment	804	375	324	243	328	35.11
Factory Equipment	20,676	8,702	24,366	12,741	5,946	(53.33)
Others Equipment	-	-	-	-	-	-
Machinery	18,465	29	-	-	3697	-
Vehicle	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-
Total	**39,945**	**9,106**	**24,690**	12,984	9,971	**(23.20)**
New Product						
Office Equipment	163	449	230	161	171	6.47
Factory Equipment	2,655	80,405	10,682	11,983	20,645	72.29
Others Equipment	-	-	-	-	907	-
Machinery	47,589	24	819	-	31	-
Vehicle	-	-	-	-	-	-
Intangible Assets	198	0	531	9,492	1,339	(85.89)
Total	**50,605**	**80,878**	**12,262**	21,636	23,093	**6.74**
Total	**272,888**	**176,122**	**248,276**	174,623	544,972	**212.09**

Summary of Investment Realization Based on Usage

	2011	2012	2013	2014	2015
INVESTMENT GROUP	1	2	3	4	5
Office Equipment	6,231	7,110	11,504	32,554	13,843
Factory Equipment	133,071	128,666	99,132	76,872	243,362
Others Equipment	2,161	8,926	15,547	4,595	53,807
Machinery	128,314	30,902	114,851	39,849	228,357
Vehicle	-	-	-	-	384
Intangible Assets	3,111	518	7,242	20,754	5,219
Land	-	-	-	-	-
Total	**272,888**	**176,122**	**248,276**	174,623	544,972





Investment Realization based on Group

Investment Realization based on Group

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
INVESTMENT GROUP	**1**	**2**	**3**	**4**	**5**	**6**	**6/4**	**6/5**	**6-4**
Office Equipment	6,231	7,110	11,504	32,554	27,117	13,842	(57.48)	(48.95)	(18,711,29)
Factory Equipment	133,069	128,666	99,134	76,872	127,959	243,363	216.58	90.19	166,491
Others Equipment	2,161	8,926	15,546	4,595	49,376	53,807	1.071.07	8.98	49,212,74
Machinery	128,314	30,903	114,850	39,849	434,355	228,358	473.06	(47.43)	188,509,33
Vehicle	745	-	-	750	84	384	(48.85)	354.70	(366,40)
Intangible Assets	2,367	518	7,242	20,004	12,009	5,219	(73.91)	(56.54)	(14,784,71)
Land	-	-	-	-	12,000	-	-	-	-
Jumlah	**272,887**	**176,122**	**248,276**	**174,623**	**662,901**	**544,974**	**212.09**	**(17.79)**	**370,350,89**

LAND

Land procurement remained unrealized in 2015, however, land was leased in Jasinga. Land investment plans have been re-budgeted for 2016.

BUILDINGS

Realization of building inventory procurement reached 52.6% of budget of which some buildings are multi-year investments the settlement for which has shifted to 2016. Building completion includes the Vaccine Production Facility and Packaging Building has been rebudgeted for 2016.

PLANT EQUIPMENT

Realization of Plant Equipment procurement reached 190.2% of budget as some of the equipment was completed faster than budgeted, such as the Integrated BCG Filling Line, Generator, Integrated Water Treatment Plant and UPS Flywheel.

OFFICE EQUIPMENT

Realization of office equipment procurement reached 51.0% of budget as some of that procurement, namely office equipment and furniture for the Distribution and Administration facility, was shifted to 2016, amounting to Rp13.27 billion.

OTHER EQUIPMENT (MACHINERY AND UTILITIES)

Realization of other equipment reached 108.98% of budget due to additional power supplied by PLN, rising from 3,465 kVA to 15,000 kVA, in preparation to ensure adequate electricity supply for the vaccine production and packaging facility.

MOTORIZED VEHICLES

Actual provision of motor vehicles reached 454.7% of budget due to the purchase of FIN Komodo vehicles for new activity at the Jasinga land.

INTANGIBLE ASSETS

Realization of intangible assets reached 43.5% of budget with the procurement of the Electronic Quality Management System Software and Sales Administration Software with settlement shifted to 2016 valued at Rp7.12 billion.

DEFERRED COSTS

Realization of additional power from PLN rising from 3,465 kVA to 15,000 kVA to prepare for adequate electricity supply for the vaccine production and packaging facility.



COMPARISON BETWEEN TARGETS AT THE START OF THE FISCAL YEAR AND REALIZATION AND TARGETS OR PROJECTIONS TO BE ACHIEVED IN THE COMING YEAR

PRODUCT MAPPING

In 2015, market share for the company's products in the Government Sector wre still 100%, while demand from UNICEF varied, namely for Measles 10 ds reaching 29%, for DTP 10 ds 100%, Td 10 ds 36.84%, and TT 10 ds 47.25%. For the Polio vaccine, Bio Farma prioritizes vaccine supply for domestic needs, namely the regular polio immunization program, and exports the bulk form to several vaccine producers. World demand for Polio vaccines supplied by WHO / UNICEF in 2015 fulfilled by Bio Farma was 14.7%.

Comparison Between Targets At The Start of The Fiscal Year and Realization

The company's performance in 2015 in terms of sales reached Rp2.35 trillion, an increase of 14.77% compared to 2014 and an increase of 2.03% over budget, while the cost of sales and services amounted to Rp867.49 billion, an increase of 11.20% compared to 2014 and up 1.72% on budget, while the company's net profit increased by 15.18% from realization in 2014 to Rp670.59 billion or 107.88% of budget.

The Company's health rating in 2015 was scored at 88.50, falling in the criteria of "HEALTHY AA", while the previous year the score was 95.50 with a criteria of "HEALTHY AAA". Key Performance Indicator (KPI) achievement was scored at 145.25 out of a total value of 100.

Overview of Company Performance in 2015

	REALIZATION 2014 (AUDITED)	SFAS 2015	REALIZATION 2015 (AUDITED)	INCREASE/DECREASE (%)	
INVESTMENT GROUP	1	2	3	3/2	3/1
Net Sales	2,044,080	2,299,157	2,345,918	2.03	14.77
Cost of Goods & Services Sold	(780,090)	(852,546)	(867,488)	1.72	11.20
Company's Expense	1,430,741	1,550,743	1,619,052	4.40	13.16
Investment	174,623	662,901	544,974	(17.79)	212.09
Profit Before Tax Expense and Income	775,902	851,470	899,274	5.61	15.90
Tax Expenses Net	193,709	229,837	228,681	(0.50)	(18.05)
Net Income	582,193	621,633	670,593	7.88	15.18
Total Assets/Liabilities & Equity	3,044,608	3,626,554	5,680,663	56.64	86.58
Total HR (Person)	1,029	1,109	1,127	**1.62**	**9.52**

*Restated as the impact of adoption of SFAS No. 24 (Revised 2013) "Employee Benefits"

Actual attainment compared with RJPP (long term company plan) and SFAS (company plan and budget)

Net sales achievement in 2015 exceeded the RJPP and SFAS respectively by 6.54% and 2.03%, while in terms of net profit, realization exceeded the RJPP by 46.50% but it rose 1.50% to come in under budget based on the SFAS.

Performance Realization in 2015 Compared with the 2012-2016 RJPP and 2015 SFAS

	RJPP 2012-2016	SFAS 2015	REALIZATION 2015 (AUDITED)	INCREASE/DECREASE (%)	
DESCRIPTION	1	2	3	3/2	3/1
Net Sales	2,202,002	2,299,157	2,345,918	2.03	6.54
Cost of Goods & Services Sold	912,113	852,846	867,488	1.72	(4.89)
Company's Expense	1,481,325	1,550,743	1,619,052	4.40	9.30
Investment	520,779	662,901	544,974	(17.79)	4.65
Income Before Tax Expense	620,758	851,470	899,274	5.61	44.87
Net Income	456,871	621,633	670,593	7.88	46.78
Total Assets	4,605,513	3,626,554	5,680,663	**56.64**	**23.34**

Company Statistics for Ten (10) Years

Over the last ten (10) years, the company's performance has significantly improved, as shown in the table below, based on percentage increase from the base year of 2006 (100%).

Company Statistics 2006-2015

[In %]

DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Sales	100	121	131	192	197	216	234	301	332	381
Cost of Goods & Services Sold	100	116	107	152	159	170	184	229	246	274
Company's Expense	100	115	127	161	176	191	188	235	282	319
Investment	100	319	422	461	527	734	474	668	470	1,466
Income Before Tax Expense	100	134	161	243	264	319	407	608	606	703
Net Income	100	136	161	253	292	352	449	666	677	780
Total Assets	**100**	**125**	**155**	**209**	**262**	**289**	**341**	**451**	508	947

[In million rupiah]

DESCRIPTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Sales	615,660	745,440	805,790	1,182,992	1,210,263	1,328,729	1,437,665	1,853,682	2,044,080	2,345,918
Cost of Goods & Services Sold	316,583	366,336	337,649	479,744	502,038	538,998	583,917	723,596	780,090	867,488
Company's Expense	506,827	584,833	641,686	815,860	894,396	969,575	954,329	1,192,575	1,430,742	1,619,052
Investment	37,163	118,666	156,690	171,186	195,846	272,887	176,122	248,276	174,623	544,974
Income Before Tax Expense	128,006	171,369	206,492	310,982	338,419	407,772	521,124	778,589	775,902	899,274
Net Income	85,977	116,767	138,385	217,681	250,815	302,419	385,916	572,468	582,193	670,593
Total Assets	599,908	751,795	930,971	1,255,302	1,570,969	1,733,504	2,045,688	2,703,070	3,044,608	5,680,663

The above table illustrates the company's development has increased quite significantly.



In 2007, the Company's activities increased after a number of strategic measures were taken, namely increasing production capacity for final and bulk products, and technology transfer for Hib Liquid, s-IPV, and Seasonal Flu vaccines.

The Company has been conducting Research and Development to develop new vaccines, anti-sera, blood products, bio similars, stem cells and diagnostics.

In addition, the Company has carried out research and development into production innovations, such as increasing the concentration of Diphtheria and Tetanus vaccines (2008), in-vial BCG vaccines (2009), Inoculum B Pertussis in Fermentor 70L and Snake Antivenom Serum using Non-Detoxified Venom (2011); as well as Optimizing NZ-Case purification, Creating Pertussis Working Seed in Glycerin, Increasing Serum Yield, Manufacture of a meningitis vaccine solvent and experimental VHB production, inspection camera use for labeling, Use of an Automated Feeder for Box printing (2015).



Targets or Projections to Accomplish in The Future

Evaluation of the Company's Long Term Plan

THE COMPANY'S POSITION

In the Company's Long-Term Plan (RJPP) from 2012 to 2016, using "SWOT Analysis", the Company is in a position of growth, in which internally the Company has greater strengths than weaknesses and externally has greater opportunities than threats. Similarly, from the

"Industry Attractiveness and Business Strength Analysis", the Company is in a position to grow, whereby the vaccine industry is classified as moderate with average business strength. In a growth position, the Company can apply strategies through horizontal integration. In 2015, the Company increased production capacity of final and bulk products, continuing development of new vaccines. In addition, the company maintained its quality, environment and OHS management system, as well as implementing the principles of good corporate governance (GCG).

TARGETS THAT WE WANT TO ACCOMPLISH IN THE FUTURE

- Become a World Class Life Science Company with Global Competitiveness
- A company committed to being a Green Company
- Conduct product research in accordance with trends and seek to accelerate research so that the time to product market meets market demand.
- With the move toward Polio eradication, which is expected by 2018, in anticipation, the Company is increasing production capacity and setting up the infrastructure for new products
- The company is increasing production capacity for final and bulk products
- Continued the development of new vaccines.
- The Company maintains its quality, environment and OHS management system and implements the principles of good corporate governance (GCG).

INTERNAL ANALYSIS

The company's initial vision, "Being a World Class Producer of Vaccines and Antisera with Global Competitiveness", changed in the first half of 2014 to: "Becoming a World Class Life Science Company with Global Competitiveness". By changing this vision, it requires the Company to always be in the position of a world class company in all areas of its operations and, to achieve this, the Company must define its vision as a mission, goals, strategies, policies and work programs for both the short and long term.

The company is also committed to becoming a Green Company, the Company always strives to operate in a balanced manner and upholds the triple bottom line philosophy (people, profit, planet). The Company believes that in addition to its obligation to provide added economic value to shareholders, it should also play a positive role in the interest of stakeholders, from environmental conservation and nature sustainability, to the social dimension (community welfare).

As such, our certification from WHO, ISO and OHSAS and strong commitment to becoming a green company can be used as one of the Company's strengths to compete with other companies in the global market, in addition to being in accordance with the Company's policy to further enhance customer satisfaction, the Company will implement integrated CRM (Customer Relationship Management) both for domestic and overseas customers so that its existing share of the market can be maintained and even improved.

One anticipatory move to face global challenges is to conduct product research that complies with trends and seek to accelerate research so that the time to product market is in accordance with market demands. To improve the efficiency and effectiveness of new vaccine research, the Company is working with universities and research institutes at home and abroad in order to accelerate the market availability of products.

Ahead of polio eradication, which is expected in 2018, the Company is taking anticipatory measures to increase production capacity, setting up the infrastructure for new products with attention to current international regulations (current Good Manufacturing Practices/cGMP), including investment plans for the construction of production facilities. Development of these facilities and the equipment within them is planned across multi-years until 2017.

Implementation of integrated IT-based ERP (Enterprise Resource Planning) and Risk Management Systems to improve efficiency and productivity and for the good management of the company has been followed by the Company with optimal and sustainable implementation of the principles of good corporate governance (GCG), including strengthening Enterprise Risk Management (ERM), as stated in our corporate culture of PITIC (Professional, Integrity, Teamwork, Innovation Customer Oriented), quality manual documentation, standard guidelines and operating procedures. The Company implements ERP, which will be integrated into almost all business processes, in accordance with applicable best practices / standards, for better control, accuracy and data integration between work units, while the speed of business processes will increase. The role of this integrated information system will greatly assist the Company in expediting and improving the efficiency of business processes and meeting regulatory requirements, including GCG implementation.

To realize the Company vision, the role of Human Resources/HR is vital and should be well managed, to this end, the Company manages its Human Resources with the paradigm "Human Capital Management", which views human resources as assets that need to be continually cultivated with regard to knowledge, skills and behavior, so that their value continues to grow through integrated development programs. On the other hand, the Company seeks to improve employee welfare during work and after retirement in the expectation that, in addition to being competent, employees are also loyal and have integrity toward the Company.

EXTERNAL ANALYSIS

In line with the most recent economic developments, the challenges of the global economy include global economic uncertainty triggered by the economic slowdown and the crisis in various countries, the risk of commodity price volatility on global markets, especially crude oil prices, the commitment to participate and support the ASEAN Economic Community (AEC), and the implementation of the global development agenda. Meanwhile, domestic economic challenges expected to be faced in 2016 include the slowing acceleration of economic growth, financial market risks in the country, the balance of payments imbalance, and decreasing social inequality. These global and domestic economic challenges impact greatly on the direction of government policy in determining macroeconomic indicator assumptions in the Draft State Budget (RAPBN) for next year.

The government market, which has always been a captive market, must be maintained considering the entry of other competitors who can try to win market share, namely China and India, for PQ WHO products, as well as the ASEAN single market (Asean Free Trade Area / AFTA) coming into force in 2015 and the WTO (World Trade Organization) in 2020.

What can be done is to strengthen the domestic market to maintain and improve customer satisfaction, particularly in terms of delivery accuracy and completeness / vaccine diversity needed.

THE STRATEGIC ROLE OF BIO FARMA

Bio Farma plays a very strategic role in the development and production of vaccines, both at the local and international level; at the local level, Bio Farma is the only manufacturer that supplies EPI vaccines for the needs of the Indonesian people through the Health Ministry, so that the national vaccine supply is secure, PT Bio Farma (Persero) is also a member of the National Research Council, one of the duties of which is to accelerate vaccine development in Indonesia so that the nation's self-reliance in the field of vaccinations will soon be realized, this is in accordance with the Government program that seeks to establish the nation's independence in various fields, including health.

At the international level, Bio Farma plays a strategic role as a global player by supplying vaccines needed by the world through WHO / UNICEF, as Bio Farma is one of the vaccine manufacturers that has earned WHO prequalification status. Another strategic, globally recognized role played by Bio Farma is as chairman of the DCVMN (Developing Countries Vaccine Manufacturers Network) organization, thus further improving Bio Farma's bargaining position in the organization. In the OIC (Organization of Islamic Countries), Bio Farma's strategic role is increasingly recognized, marked by the number of offers from Islamic countries to cooperate in vaccine development and production, including from Iran and Saudi Arabia.

COMPANY STRATEGY

a. Development of product innovation and diversification according to market needs.
b. Maintaining existing markets and expanding the market.
c. Conducting strategic alliances in the field of product research and development, production and marketing with various parties, both domestically and abroad.
d. Investing in new products, improving production capacity, maintaining quality and complying with applicable regulations.
e. Developing human resources with global competence.
f. Planning, running, implementing and assessing various programs, including the preparation of documents relating to quality, environmental and OHS management systems based on cGMP, ISO 9001, ISO 14001 and OHSAS 18001.
g. Cost efficiency in various fields.
h. Coordination with various organizations / institutions both nationally and internationally, including but not limited to BPOM and WHO, for the Company's various activities.
i. Improving public and community awareness (agencies, educational institutions and the Company) of immunization.



Vaccines and anti sera are ready to be distributed

COMPANY POLICY

a. Priority vaccine provision to support the Government's immunization program.
b. Oriented to customer satisfaction.
c. R & D priorities that are in line with WHO and UNICEF.
d. Production that is of international quality, efficient and environmentally friendly.
e. Investing selectively to maintain and improve production quality and capacity, as well as new products.
f. The use of domestic production, national design and engineering.
g. Competency-based employee remuneration system.
h. Supporting the Government in preparedness for bird flu and influenza A (H1N1) pandemics.
i. Enhancing the role of information technology in the Company's management.
j. Implementing a consistent and integrated quality system.
k. Following WHO provisions related to prequalification aspects.

In the future, the demand for vaccines and other biological products will increase. However, the challenges will also become stricter due to increased competition, regulatory and technological developments and a strengthening counter-immunization movement. The World Health Organization (WHO) will also re-assess Bio Farma, so Bio Farma must strive to ensure that its WHO prequalification status for old products can be maintained and the WHO prequalification status for the Pentabio vaccine can be promptly obtained.

With great strength that we have, ranging from research and development, to extensive and independent production and marketing, the toughest challenges that we face in the future will be dealt with properly.

Bio Farma must increase product diversification and expand its product types toward other biological products, as well as working hard to meet market demand, including fulfilling 100% of the government's demand for Pentabio.

Bio Farma will build a new production facility equipped with a formulation and filling facility for vaccines currently being produced and new vaccines resulting from Bio Farma's research (MR, sIPV, rotavirus, and other vaccines), bulk sIPV, bulk tetanus and bulk diphtheria production facilities. The production facilities will be built in accordance with European standards so that in addition to increasing production capacity, they also open opportunities for Bio Farma to supply products to the European market, improving efficiency as the large batch size will reduce the use of paper through the use of e-BPR (Electronic Batch Production Records).

Other future plans:

1. Maintaining good cooperation with the Trade Ministry and Foreign Affairs Ministry, and participating in trade missions to various countries. The aim is to expand the range of our export market.
2. Working closely with international partners to identify new markets with a cooperation mechanism that benefits both parties.
3. Seeking markets in India, China and ASEAN to expand the market.
4. Increasing supplies of bulk polio, measles and other bulk products.
5. Market penetration for products that are already PQ WHO (Bulk, ready to fill final bulk and finished products).
6. Registering products in countries with potential.
7. Strengthening marketing for domestic sales in the private sector.
8. Conducting marketing activities by pursuing synergies among SOEs.

SUBSEQUENT MATERIAL FACTS AND INFORMATION

There were no subsequent important events pertaining to the Company after the date of the audited financial statements, including impacts on future performance and business risk. Thus, Bio Farma has not presented information related to important events after the date of the audited financial statements, including impacts on future performance and business risk.

THE COMPANY'S PROSPECTS

COMPANY OUTLOOK ASSOCIATED WITH THE GENERAL ECONOMY AND INDUSTRY

Global Economic Growth Projections

The global economy seems increasingly bleak. This is what ultimately caused the World Bank to cut its global economic growth forecasts for this year and 2016. However, admittedly, lower oil prices have been reasonably favorable for a number of countries, especially oil importing countries, which are mostly developing countries.

Unlike the World Bank, officials in the Organization for Economic Cooperation and Development (OECD), an international organization based in Paris, forecast that the outlook for global economic growth was slowly starting to improve compared to its previous assessment conducted in November. However, these improvements to economic conditions should be followed by balanced policy implementation to ensure sustainable growth.

The current OECD assessment finds that the short-term outlook will see moderate movement. However, the inflation rate and abnormally low interest rates remain a risk to financial stability. A more balanced policy approach is needed to accommodate the fiscal and structural reforms, as well as monetary policy, to ensure sustainable growth in the long term.

The OECD projects US economic growth of 3.1 percent this year and 3 percent in 2016. Lower oil prices have also encouraged global demand and encouraged most central banks to lower their interest rates. According to the OECD, global economic conditions today are quite favorable for the euro zone and Japan to return to reasonably strong growth rates.

Japan is projected to grow by 1 percent in 2015, faster than the previous estimate of 0.8 percent. In 2016, growth of 1.4 percent is expected, well above projections made last November of 1 percent.

Likewise, projections for the euro zone also rose 0.3 percentage points from the previous forecast made last November, to 1.4 percent in 2015 and 2 percent in 2016.

Meanwhile, growth prospects look very different across developed countries in the euro zone. Germany, for example, is forecast to grow at 1.7 percent in 2015 and 2.2 percent in 2016, and France by 1.1 percent in 2015 and 1.7 percent in 2016. Italy is expected to grow 0.6 percent in 2015 and 1.3 percent in 2016. Britain is projected to grow 2.6 percent in 2015 and 2.5 percent in 2016.

Meanwhile, over the next two years, India is forecast to grow more rapidly than China. China itself, the country with the second largest economy in the world, is expected to grow by about 7 percent in 2015. The 2015 forecast was revised down from 7.1 per cent, while for 2016 it remains unchanged at 6.9 percent.

India will grow by 7.7 percent in 2015 and 8 percent in 2016. Aggregate growth representing more than 70 percent of global GDP is forecast at 4 percent, not 3.9 percent, while for 2016 it was raised to 4.3 percent from 4.1 percent.

Indonesia's Economic Prospects in 2016

2015 was a year full of challenges and tests for the Indonesian economy. The pressures faced by Indonesia were inseparable from various fundamental shifts in the world economy and constellation changes to economic policies in developed and developing countries since the 2008 global financial crisis.

The main three variables in the world, namely economic growth, commodity prices and capital flows to developing countries, have shifted to different directions since the 2008 global financial crisis. These shifts have then been influenced by the economic dynamics of developing countries in various parts of the world, including Indonesia.

Domestic strengths

The extent of the global challenges facing Indonesia does not necessarily mean that passion for the Indonesian economic outlook will dim. In a speech at a Bank Indonesia (BI) meeting in 2015, the Governor of BI stated that there were at least four domestic strengths should make Indonesia remain optimistic and steady as it looks toward the future.

Firstly, the various measures initiated by the Government this year to overcome structural barriers are a basic strength for the national economy to become more competitive.

Secondly, in the next 15 years, Indonesia will still have a continually expanding population of productive age, persistently supporting future economic growth while strengthening the basis for demand for goods and services in the domestic market.

Thirdly, Indonesia has entered an age in which the consolidation of political life within a democracy is free and open, and is able to move along with and rely on positive achievements in economic progress.

Fourthly, the discipline demonstrated in macroeconomic management serves as no less important capital to maintain economic stability. Discipline in maintaining this stability is the basis to achieving sustainable economic growth.

Economic prospects

Bank Indonesia believes Indonesia's economic outlook will recover supported by an economic structure that is healthier, balanced and resilient. This optimism for economic resilience is inseparable from the joint commitment to continue to accelerate and implement structural reforms that are sustainable, consistent and synergize between sectors.

BI has projected that, in 2016, domestic economic recovery will continue and lead to economic growth reaching 5.2 to 5.6%. This improvement, in the view of BI, will be supported by domestic demand, particularly investment, given that external conditions have not recovered significantly.

In line with the prospects for economic recovery, credit growth and bank financing in 2016 are forecast in the range of 12-14%, supported by growth in third party funds in the range of 13-15%.

Meanwhile, in line with the central bank's commitment to maintain economic stability, inflation is expected to be in the target range of 4 ±1% in 2016. The current account deficit is expected to slightly increase compared to this year in line with the intensification of infrastructure projects, but remains at healthy level of below 3%.

The bank believes that economic projections for 2016, which signal economic improvement, will serve as the foundation for more solid economic growth from 2017-2019. BI believes that policy synergies will accelerate economic transformation that can lead the economy to healthier, more balanced and inclusive growth, and confirm a sustainable outlook.

Economic growth in the 2017-2019 period is expected to be on track to increase to 6.0 to 6.5% by 2019, sustained by controlled inflation in the range of 3.5 ±1%. Meanwhile, the current account deficit is expected to be on track to decline and remain at a healthy level at approximately 2.5%.

Bio Farma in the Eyes of the World

THE VACCINE INDUSTRY IN ASEAN

2015 was the year that the ASEAN Economic Community (AEC) commenced. The AEC was formed with the mission to improve economies in ASEAN, making them better able to compete with countries whose economies are more advanced than the current conditions in ASEAN countries. In addition, the realization of the ASEAN Community, in which the AEC exists, will give ASEAN a more strategic position in the international arena. The existence of the ASEAN Economic Community can establish complementary synergies between economic sector stakeholders in ASEAN countries.

With the existence of the AEC, industry newcomers engaged in biotechnology in ASEAN countries have already started preparing themselves. Bio Farma has taken strategic steps to welcome offers from ASEAN countries that are moving toward biotechnology

industries by collaborating with vaccine technology transfer to become partners in the global framework standing shoulder to shoulder in the struggle to eradicate diseases that threaten the world.

THE VACCINE INDUSTRY IN DEVELOPING COUNTRIES

On October 28, 2014, the 15th Annual General Meeting of DCVMN (Developing Countries Vaccine Manufacturers Network) took place in New Delhi, India. This activity is held regularly once a year and this time saw added global confidence in Indonesia with the appointment of Mahendra Suhardono, Marketing Director of Bio Farma, as DCVMN President for the period 2014-2016. The 15th DCVMN Annual Meeting was attended by its members, 42 vaccine manufacturers from developing countries spread across 16 countries, as well as global health organizations such as UNICEF, GAVI (Global Alliance for Vaccine Initiative), and The Bill & Melinda Gates Foundation.

In 2014, the DCVMN committed to programs that enable more vaccines to be produced in developing countries at a good quality (complying with WHO standards) and affordable prices. The DCVMN also encouraged vaccine manufacturers to safeguard and secure a sustainable supply of vaccines, especially those vaccines that are prioritized to meet global demands.

DEVELOPING COUNTRIES THAT HAVE LARGE POPULATIONS

must prepare themselves to face the emergence of new diseases, and to that end, the DCVMN has prioritized targets to be achieved, including new vaccines, including Pentavalents/Hexavalents, Pneumococcal Conjugate, Rotavirus, Typhoid Conjugate, Human Papillomavirus, Measles/Rubella and inactivated Polio vaccines.

VACCINE INDUSTRY SELF-RELIANCE IN ISLAMIC COUNTRIES

Bio Farma, along with vaccine producers from Islamic countries, held the "First Meeting of the Vaccine Manufacturers Group From OIC Countries" in Jeddah, Saudi Arabia. This meeting discussed efforts to achieve vaccine self-reliance in Islamic countries.

At this time, some Islamic countries have vaccine industries. Islamic countries that possess a vaccine industry include Indonesia, Iran, Tunisia, Egypt, and Senegal. However, not all vaccines produced in Islamic countries can compete in meeting the global demand for vaccines. This is because most of the vaccine industries have not yet satisfied WHO prequalification (PQ) requirements. So far, Bio Farma Indonesia is the one vaccine manufacturer from an Islamic country that has obtained PQ-WHO status. Indonesia should be proud of being a country with a majority Muslim population whose vaccine industry has obtained the largest number of PQ-WHO certified products since 1997.

Results of the OIC-SHPA discussion will be implemented for a period of 10 years (2013-2022)

with at least six priority areas, namely: Health System Strengthening; Disease Prevention and Control; Maternal, Newborn and Child Health and Nutrition; Medicines, Vaccines and Medical Technologies; Emergency Health Response and Interventions; and Information, Research, Education and Advocacy.

Indonesia, as one of the OIC member countries, has encouraged OIC members to achieve self-reliance in producing pharmaceutical products, especially quality and affordable vaccines. Indonesia, which has been designated as a hub of vaccine technology, has shown concrete evidence of its efforts to achieve one of the visions of the OIC, namely self-reliance in vaccine production (SRVP) in Islamic countries thanks to its latest product, the Pentavalent Vaccine produced independently by Bio Farma. This pentavalent vaccine has been used in a national immunization program since 2013. Bio Farma Indonesia, as a vaccine manufacturer that has met the prequalification standard of the World Health Organization (WHO) is ready to help OIC member countries to supply raw materials/intermediate products (bulk) and improve expertise in the downstream process (Fill and Finish Process).

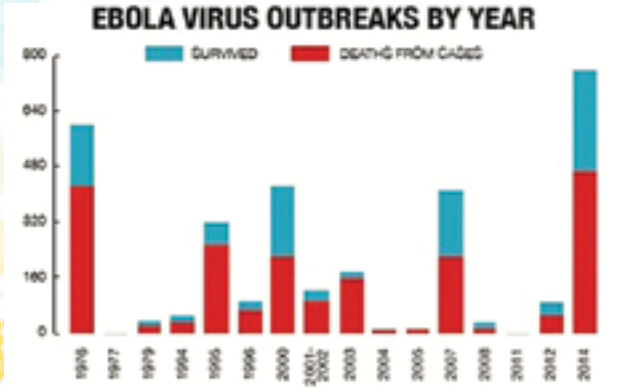
BIO FARMA'S PROSPECTS AS A VACCINE MANUFACTURER

Thinking about new things, never thought of before by others. In the days of tight competition like these, it is not enough to merely rely on the work of muscles, the work of intelligence and brains is greatly needed, accompanied by a smart and sensitive nature, so that the resulting ideas and inspiration are fresh and innovative in their response to problems and challenges, especially in the world healthcare industry. Including in the vaccine industry.

The vaccine industry is built on a very noble intention, namely the protection of the entire population, especially from attacks by various pathogens (diseases) by forming formidable armies of immunity within the body. Of course, the vaccine industry is based on comprehensive science and smart technological applications. Science comprises collaboration between various disciplines, such as medicine, molecular biology, chemistry, and engineering sciences for large scale production. Developments in these disciplines are always dynamic, born out of the innovative thinking of scientists.

In 2014, the general public was shocked by the outbreak of Ebola in West Africa that led to hundreds of deaths, as illustrated in the following table:





The global vaccine industry continues to make innovations and accelerate the discovery of vaccines against new diseases, such as Ebola, MERS, and so on. In line with the efforts to find new vaccines, the World Health Organization (WHO) provides guidelines and policies related to the global immunization vision and strategy issued at the World Health Assembly (WHA). In 2011 it established that within the first 10-year framework (2006-2015), immunization was a preventive measure that should be taken to control mortality levels and disabilities from vaccine-preventable diseases.

This vision and strategy are the main umbrella in the development of the global vaccine industry. WHA is the highest decision-making body of the World Health Organization (WHO).

The problems mentioned above are challenges for Bio Farma to make more practical vaccine innovations in the production process, storage, ease of use and, of course, affordable production costs.

With these vaccine technology innovation findings, we can reflect that the mastery of science and technology has become the main weapon and a key requirement in answering this era of competition in the industry. This has been the active role of Bio Farma, which has been successfully doing business for 125 years in the world healthcare industry. The longer it is in business, the stronger Bio Farma becomes and the more trusted by the world community. This proves that Bio Farma has been able to answer every challenge that has come through the decades. Bio Farma turns problems into challenges, and answers every challenge with a bold mental attitude and, of course, a strong scientific base.

Bio Farma fosters its employees to have adequate mastery of science and technology. In addition, Bio Farma has also established communication and cooperation with parties in academia, business and government to develop national vaccine research. Hundreds of scholarship programs are rolled out to employees both domestically and overseas. The scholarship program is also not only provided to employees, but also to communities in the vicinity of operations. Every year, at least 600 of the nation's children receive educational scholarships from Bio Farma. To Bio Farma, the cost incurred for science and technology education and development is not a burden, rather it is a golden investment because it will stimulate sparks of innovation for the company and the nation.

Over 125 years, Bio Farma has not only contributed significantly to healing the lives of the world's population, but has also educated the nation. Bio Farma is constantly moving and acting, to establish healthy and knowledgeable people, for continuous innovation and an independent nation.

MARKETING ASPECT

MARKETING STRATEGY

To support the achievement of sales targets, the company implements a strategy to maintain existing markets and expand into new markets to enhance the marketing of known products as well as new products, develop and build partnerships through strategic face to face meetings with customers to directly identify customer expectations (customer oriented) and the needs of the global market, follows vaccine tenders organized by countries and international organizations, and registers new products selectively by first evaluating market potential in export destination countries.

The marketing strategy is, among others, as follows:

a. Market Penetration for adult vaccine products such as the Influenza vaccine, Hepatitis B and others. In the private domestic market, the Marketing Directorate penetrates the market through Geographical Marketing activities and offering vaccination programs to various government / private institutions within the country.
b. Market Development in the international market through to member countries of the OIC (Organization of Islamic Conference) and Latin America through the Pan American Health Organization (PAHO).
c. Product Development by developing branded products such as BIO Td, BIOSAT, BIOADS and BIOSAVE to enter the private sector in the domestic market.
d. Media Strategy that is integrated to improve customer awareness of the company and the products it offers through a variety of media above the line, below the line and through the line.

Faced with demand from the international sector that it higher than products available, the company has taken strategic steps by planning construction of new facilities to increase production capacity concurrently with the packaging process. Other efforts made by the Company to accommodate customer demand are the extension of the expiration date (ED) for Measles 10 ds vaccines from the previous 2 years to 3 years, so if there is a delay in a country's immunization campaign, the remaining life of the vaccine (Residual Shelf Life) is acceptable to export destination countries, as well as increasing the production batch size for the polio vaccine.

To improve performance in the domestic sales sector, improvements and changes are needed to business processes, which require integrated support facilities and information technology systems. The Company has taken strategic steps to overcome this by investing in the creation of the CRM (Customer Relationship Management) application as part of the IT Master Plan, as well as building integrated inventory stock applications with domestic distributors.

Net Product Sales Per Segment / Business Sector

Net Product Sales Per Segment / Business Sector

[In million rupiah]

	2011	2012	2013	2014	SFAS 2015	2015	INCREASE/ DECREASE (%)		DIFFERENCE 2014/2015
GROUP	1	2	3	4	5	6	6/4	6/5	6-4
Government	476,894	515,254	548,724	547,728	636,061	570,619	4.18	(10.29)	22,891
Private	69,955	72,473	82,106	130,120	226,736	139,485	7.20	(38.48)	9,365
Export	781,880	849,914	1,222,852	1,366,232	1,436,360	1,635,814	19.73	13.89	269,582
Total Net Sales	**1,328,729**	**1,437,641**	**1,853,682**	**2,044,080**	**2,299,157**	**2,345,918**	**14.77**	**2.03**	**301,838**

Product Sales per Segment / Sector, Government

Bio Farma recorded sales of products in the government segment / sector in 2015 totaling Rp570.62 billion, an increase of Rp22.89 billion or 4.18% above 2014, which amounted to Rp547.73 billion, and 10.29% below the SFAS figure of Rp636.06 billion.

Contracts that were signed with the Government ultimately had changing needs to those previously predicted, such as sales of the vaccines BCG, TT 10 ds, tOPV 10 ds and measles 10 ds, which respectively reached 110.54%, 188.80%, 165.96% and 132.63% of the budget, while Td 10 ds, DT 10 ds, HBV Infant 1 ds and Pentabio 5 ds each only reached 73.82%, 42.03%, 64.48% and 47.08% of budget, while there were no sales of bOPV 20 ds vaccine budgeted at Rp29.73 billion.

Product Sales per Segment / Sector, Private

Bio Farma recorded sales of products in the private segment (sector) in 2015 totaling Rp139.48 billion, an increase of Rp9.36 billion, or 7.20% above the same sector in 2014 of Rp130.12 billion and 38.48% below the SFAS figure of Rp226.74 billion.

Almost all product sales came in under budget, such as Td 10 ds, DT 10 ds, DTP 10 ds, HBV Adult 1 ds, Flubio 1 ds, DTP-HB 5 ds, Pentabio 1 ds, ATS 1,500 (BIOSAT 1.5), ADS 20,000 (BIOADS), PPD 2 TU, ABU II (Australia) serum and laboratory services respectively achieving 55.00%, 34.08%, 13.86%, 31.79%, 81.28%, 9.00%, 35.57%, 79.91%, 94.12%, 14.57%, 63.85% and 41.80%, except for BCG Infant 20 ds, TT 10 ds, tOPV 10 ds, Measles 10 ds, HBV Infant 1 ds, ABU (BIOSAVE) serum, and immunization services respectively reaching 113.94%, 237.62%, 120.67%, 143.47%, 212.21%, 148.84% and 106.30%.

Compared to realization in 2014, there was an increase of 7.20% mainly on vaccine sales of tOPV 10 ds, HBV Infant 1 ds, Flubio 1 ds, Pentabio 1 ds, ABU (BIOSAVE) serum, ABU II (Aust) serum and laboratory services respectively increasing by 6.71%, 60.44%, 104.49%, 3.44%, 49.54%, 15.45% and 60.69%.

Product Sales Per Segment / Sector, Export

Bio Farma recorded product sales to the export segment (sector) in 2015 totaling Rp1.64 trillion, up Rp269.58 billion or 19.73% over export sales in 2014 of Rp1.37 trillion and 13.89% below the SFAS figure of Rp1.44 trillion.

Compared to budget, export sales denominated in rupiah reached 113.89%, or when denominated in USD 100.76%. Product sales exceed budget for TT 10 ds, Bio TT 1 ds, DTP 10 ds, tOPV 10 ds, bOPV 20 ds, Bulk Diphtheria, Pertussis and Polio respectively by 152.90%, 115.55%, 129.65%, 134.20%, 127.12%, 114.47%, 135.19% and 128.75%.

Compared with realization in 2014, export sales denominated in rupiah rose 19.73%, or in USD rose by 5.7%, mainly from increased sales of the vaccines Bio TT 1 ds, Td 10 ds, tOPV 10 ds, bOPV 20 ds, Bulk diphtheria, Pertussis and Polio, respectively by 10.81%, 146.99%, 101.75%, 9.87%, 190.99%, 116.37% and 23.79%.

MARKET SHARE

Bio Farma serve the needs of global and domestic markets as follows:

Domestic market:

- Government Sector, serving government demand for the basic / regular immunization program in Indonesia, namely BCG, DT, TT, Polio, Measles, Hepatitis B, Td and DTP-HB-Hib (Pentabio);
- National private market, serving domestic distributors to meet vaccine demands beyond those of the routine Government immunization program, namely for the vaccines BCG, BioTd, BioTT, Flubio, Measles, Polio, Hepatitis B, Pentabio, anti-sera (BioSAT, BioADS, BioSAVE, ABU II (Australia)) and PPD 2 TU;
- International market, primarily to serve the needs of UNICEF and countries with bilateral cooperation. The vaccines being used are those that have met the WHO prequalification standard in the form of finished products and bulk.

Overseas Markets:

- Export Sector Institutions: Supplying vaccines through institutions like the World Health Organization (WHO), UNICEF, PAHO to meet the demand for vaccines in developing countries for their immunization programs.
- General Export Sector: Supplying vaccines bilaterally to export destination countries, business to business, business to government or in cooperation with appointed international or local partners. The vaccines used are those that have met WHO prequalification in the form of finished products and bulk.

The vaccines that have met WHO prequalification as finished products and bulk are tOPV (20 dose vial), tOPV (10 dose vial), Measles (10 dose vial) TT (vial 10 doses) TT (vial 20 doses), DT (vial 10 doses), DTP (whole cell) (10 dose vial), TT (Uniject 1 dose), Hepatitis B (Uniject 1 dose), DTP (whole cell) - Hep B (5µg) (vial 5 doses), DTP (whole cell) - HepB (10µg) (10 dose vial) Measles (20 dose vial), mOPV type 1 (20 dose vial) bOPV types 1 & 3 (20 dose vial), Td (adult) (10 dose vial), DTP (whole cell)-HepB-Hib (five dose vial), DTP (whole cell)-HepB-Hib (10 dose vial).

MARKETING REALIZATION BASED ON THE WORK PLAN

The marketing programs implemented in 2015 were as follows:

Domestic Marketing

- Selling existing and new Bio Farma vaccine products through the Government and private sector.
- Sharing information about stock availability with all Distributors.
- Conducting distributor visits in the first and second semesters of 2015 to distributor branches to evaluate their vaccine and serum storage facilities, as well as administrative supporting documents.
- Regular billing for vaccine procurement in 2015.
- Delivering vaccine, sera and bulk products to the government sector, private and export sector with 2,060 deliveries, including sending samples abroad.
- Conducting activities associated with the development of CRM software (Customer Relationship Management).
- Conducting Afternoon Clinic programs disseminating information on the meningitis vaccine to the Health Ministry, Pilgrim Health Center, P2PL and other related agencies.

Overseas Marketing

- Performing initial product registration and registration of varieties.
- Renewing registrations
- Following overseas tenders
- Receiving Customer visits / agents for export sales
- Preparing and coordinating agreements
- Sending vaccines to destination countries.

Regulatory Affairs and Marketing Division

- Designing corporate advertising material and products for 14 mass media.
- Installing Bio Farma's logo (brand) in 108 media / activities.
- Distributing promotion kits to 827 companies, offices / agencies / government agencies, universities and various internal and external organizations, as well as exhibitions.
- Taking part in 28 exhibitions / symposiums / open tables.
- Registering a variety of imported products 35 times, pre-registering imported products 23 times and registering imported products 10 times.
- Registering a variety of local products 69 times, pre-registering local products 12 times.
- Analyzing market potential and opportunities for 9 products.
- Creating a vaccine packaging design
- Making product knowledge presentations at various institutions, universities and health authorities across Indonesia.

Clinical and Immunization Division

Several clinic and immunization activities were carried out in 2015, including:

- Providing laboratory test services, radiology and assisting in the research process / provision of bacterial strains for external and internal Bio Farma customers, with attention to quality, environment, OHS and testing and calibration quality standards.
- Conducting external and internal immunization services, employee health clinics and pharmacy services with regard for quality, the environment and OHS.

DIVIDEND POLICY, AMOUNT OF CASH DIVIDEND PER SHARE, AND AMOUNT OF DIVIDEND PER YEAR ANNOUNCED OR PAID FOR THE PAST FIVE FISCAL YEARS

DIVIDEND POLICY

Bio Farma has a policy to distribute cash dividends to shareholders at least once a year. Based on the results of net profit in 2015, this amounted to Rp670,593 billion. The management proposed profit distribution as follows:

- Dividend of 20%
- Reserves of 77.32%

  To fund the relatively large 2016 investment plan of Rp1.03 trillion, and strengthen working capital in connection with increased costs for Research, Development and Surveillance to produce new products and sustainable growth.
- Community Development of 2.68%

TOTAL DIVIDENDS PAID AND DATES OF ANNOUNCEMENT AND CASH DIVIDEND PAYMENTS EACH YEAR

The dividend from 2014's net income was determined at the General Meeting of Shareholders (GMS) for the 2014 Annual Report held on 21 March 2015 and amounted to Rp145,015,000. The amount of dividend from 2015's net profit will be determined at the GMS for the 2015 Annual Report.

Changes in Equity for the Years Ending December 31, 2015 and 2014

[In million rupiah]

DESCRIPTION	SHARE CAPITAL	RETAINED EARNINGS		OTHER COMPONENT EQUITY	TOTAL EQUITY
		APPROPRIATED	UNAPPROPRIATED		
Beginning balance as of January 2014	750,000	941,920	573,143	-	2,265,062
Adjustment	-		-	-	0
Measurement Return of Liabilities Estimated Post-Employment Benefits	-	-	(6,137)	(48,653)	(54,790)
Adjustment Taxation in connection with implementation of SFAS 24	-	-	1,534		1,534
Balance January 1, 2014 after adjustment	**750,000**	**941,920**	**568,540**	**(48,653)**	**2,211,806**
Profit Sharing	-	-	-	-	-
Dividend	-	-	(228,987)	-	(228,987)
Reverse	-	400,727	(400,727)	-	-
Correction Retained Earnings	-	675	(675)	-	-
Additional Dividend from Appropriated Earnings		(57,247)	57,247		-
Capitalization of Appropriated to Capital	500,000	(500,000)	-	-	-
Other Comprehensive Income	-	-	-	(21,323)	(21,323)
Profit (loss) 2014	-	-	582,193	-	582,193
Balance end per December 31, 2014	**1,250,000**	**786,075**	**577,590**	**(69,976)**	**2,543,689**
Beginning balance of Januari 1, 2015	1,250,000	786,075	577,590	(69,976)	2,543,689
Profit Sharing	-	-	-	-	-
Dividend	-	-	(145,015)	-	(145,015)
Reverse	-	435,059	(435,059)	-	-
Allocation of Community Development	-	(4,712)	-	-	(4,712)
Capitalization of Appropriated to Capital	400,000	(400,000)	-	-	-
Other Comprehensive Income	-	-	-	1,980,782	2,041,215
Unrealized profits on the ownership of securities available for sale	-	-	-	(377)	(377)
Profit (loss) 2015	-	-	670,593	-	619,446
Balance end per December 31, 2014	**1,650,000**	**816,422**	**668,109**	**1,909,600**	**5,044,132**

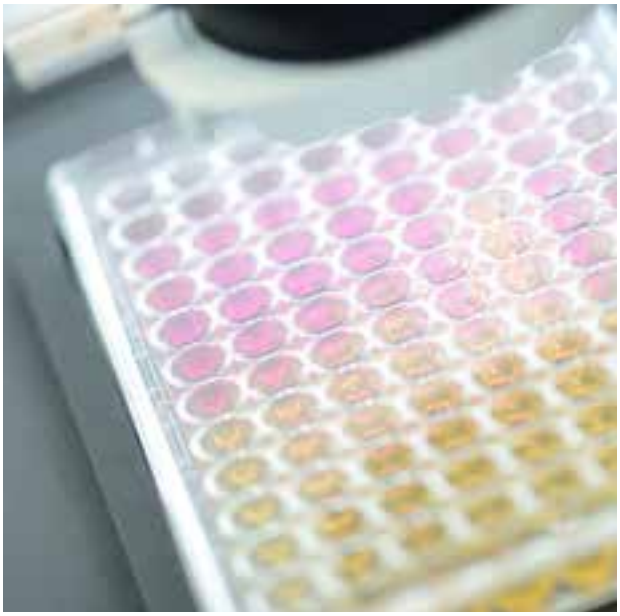
AMOUNT OF CASH DIVIDEND PER SHARE

As of 31 December, 2015, Bio Farma was one of the non-listed State-Owned Enterprises whose shares were 100% owned by the Government of the Republic of Indonesia, and thus there is no information regarding the size of cash dividend per share that can be divulged to the public.

DIVIDEN PAYOUT RATIO (DPR)

[In million rupiah]

	2011	2012	2013	2014	2015	INCREASE/ DECREASE (%)
GROUP	1	2	3	4	5	5/4
Account Net Income After Tax	302,419	385,892	572,468	582,193	670,593	15,18
Dividend	45,363	105,178	228,987	145,015	-	-
DPR	15,00%	27,26%	40,00%	25,00%	-	-



EMPLOYEE/MANAGEMENT STOCK OWNERSHIP PROGRAM IMPLEMENTED BY THE COMPANY

In accordance with the characteristics of Bio Farma, which is owned by the Government, there is no employee and/or management stock ownership program (ESOP / MSOP) implemented by the company at Bio Farma. Bio Farma thus does not present information on an employee and/or management stock ownership program (ESOP / MSOP) implemented by the company, such as the number of shares in the ESOP / MSOP, realization, term, employee and/or management requirement rights and exercise price.

USE OF INITIAL PUBLIC OFFERING PROCEEDS (IN THE CASE THAT THE COMPANY STILL HAS THE RESPONSIBILITY OF PRESENTING A USE OF FUNDS REPORT)

Until the end of 2015, Bio Farma was a State-Owned Enterprise that did not offer its shares or bonds on the stock exchange, so there is no actual use of proceeds from public offering in Equity. Therefore, Bio Farma does not present information on the actual use of proceeds from public offerings such as total returns on funds, planned use of funds, detailed use of funds, fund balance and the date of GMS / RUPO approval for changes in the use of funds.

INFORMATION ON MATERIAL TRANSACTIONS THAT CONTAIN CONFLICT OF INTEREST AND/OR AFFILIATED PARTY TRANSACTIONS

Throughout 2015, Bio Farma has had no material transactions that contain conflict of interest and/or transactions with affiliates. Thus Bio Farma does not present information on material transactions, such as the name of the parties to a transaction and the nature of the affiliation, transaction fairness, the reason for the transaction, transaction realization in the last fiscal year, company policies associated with a review mechanism for transactions and compliance with applicable regulations and provisions.

REGULATORY CHANGES THAT SIGNIFICANTLY AFFECT THE COMPANY

During 2015, there were no changes to legislation that significantly influenced Bio Farma. Therefore, Bio Farma does not present information, among others, regarding: changes in legislation and its impact on the company.

DESCRIPTION OF ACCOUNTING POLICY CHANGES IMPLEMENTED IN THE LAST FINANCIAL YEAR

Statement of Compliance

The financial statements of PT Bio Farma (Persero) for the years ended 31 December, 2015 and 2014 have been prepared in accordance with Financial Accounting Standards in Indonesia and have met all requirements.

Basis for Preparation of the Financial Statements

The financial statements have been prepared under the historical cost method, except for several accounts that use other measurement bases, as explained in the accounting policies applied to those accounts. The financial statements, except for cash flow statement, are prepared under the accrual basis of accounting.

The Cash Flow Statement was prepared using the direct method by classifying cash flows into operating, investing and financing activities.

DESCRIPTION OF ACCOUNTING POLICY CHANGES IMPLEMENTED IN THE LAST FISCAL YEAR & THEIR IMPACT ON BIO FARMA'S FINANCIAL STATEMENTS

Changes in Accounting Policies and Restatement of Financial Statements

The Financial Accounting Standards Board of the Indonesian Accountants Association (IAI DSAK) has issued several new and revised Financial Accounting Standards (SFAS) effective from or after January 1,2015. Those that are considered relevant and that have a significant impact on the financial statements of PT Bio Farma (Persero) are:

1. SFAS 1 (2013) "Presentation of Financial Statements"
   Changes to the presentation of financial statements include:
   - Changing the terminology of "Statement of Comprehensive Income" to "Statements of Profit or Loss and Other Comprehensive Income".
   - Classification of other comprehensive income posts into two parts, namely "other comprehensive income to be reclassified to profit or loss" and "other comprehensive income not to be reclassified to profit or loss".
2. SFAS 24 (2013) "Employee Benefits"
   Changes to several accounting provisions related to post-employment benefits that have an impact on the financial statements and are retrospective in nature, including:
   - Past service costs are recognized as an expense to an earlier date between when the amendment or curtailment of the program took place and when the entity recognized related restructuring costs or severance. With this provision, the Company will no longer be able to defer and amortize past service costs that are not yet vested.
   - Changes to the concept of interest expenses to net interest determined by multiplying the liability (asset) of the net defined benefit by the discount rate referring to the market balance and returns on high-quality corporate bonds at the end of the reporting period; and
   - Actuarial gains and losses are recognized as other comprehensive income.

In connection with the adoption of SFAS 24 (Revised 2013), the Company has restated the 2014 financial statements in accordance with the provisions of SFAS 25, "Accounting Policies, Changes in Accounting Estimates and Errors" as follows:

	BEFORE RESTATE	ADJUSTMENT	AFTER RESTATE
Statement of Financial Position			
Deferred Tax Assets-Fixed Assets	12,912,599,379	1,534,357,246	14,446,956,625
Estimated Employee Benefits Employees	48,370,659,217	54,790,159,108	103,160,818,325
Equity		(48,652,730,124)	(48,652,730,124)
Other Equity Component			
December 31, 2014			
	BEFORE RESTATE	ADJUSTMENT	AFTER RESTATE
Statement of Financial Position			
Deferred Tax Assets-Fixed Assets	17,046,155,404	827,899,817	17,874,055,221
Estimated Employee Benefits Employees	62,703,190,571	73,664,919,294	136,368,109,865
Equity			0
Other Equity Component		(69,976,027,177)	(69,976,027,177)

Expense Reclassification

To provide more accurate information for the year 2015, the Company allocated the following expenses that were previously presented under general and administrative expenses to sales expenses. As a result, general and administrative expenses and sales expenses for the year ended December 31, 2014 were restated.

Following is a comparison of administration and general expenses and and sales expenses before and after the restatement:

PROFIT LOSS AND INCOME			
Other Comprehensive:			
General and Administrative Expenses	(351,444,793,294)	2,434,664,830	(349,010,128,464)
Selling Expenses			
Deferred Charges	4,133,557,025	(706,457,429)	3,427,099,596
Net Income (Loss)	580,073,741,835	2,119,372,286	582,193,114,121
Other Comprehensive Income			
Re-measurement liabilities to estimated employee benefits		(828,225,876)	(828,225,876)

SFAS Coming Into Effect in 2016

In 2015, Financial Accounting Standards Board of the Indonesian Accountants Association ratified several new, revised, amended and adjusted SFAS/IAS that come into effect on January 1, 2016 and January 1, 2017, as follows:

- Amendments to SFAS 1 "Presentation of Financial Statements on Disclosure Initiatives".
- Amendments to SFAS 4 "Separate Financial Statements on Equity Methods in Separate Financial Statements".
- Amendments to SFAS 15 "Investments in Associate Entities and Joint Ventures on Investment Entities: Application of Consolidation Exceptions".
- Amendments to SFAS 16 "Fixed Assets with a Clarification Method Received For Depreciation and Amortization".
- Amendments to SFAS 19 "Intangible Assets on Methods Accepted For Depreciation and Amortization".
- Amendments to SFAS 24 "Employee Benefits on Defined Contribution Program: Worker Contributions".
- Amendments to SFAS 65 "Consolidated Financial Statements of Investment Entities: Application of Consolidation Exceptions".
- Amendments to SFAS 66 "Joint arrangements on Accounting for Acquisition of Interests in Joint Operations".
- Amendments to SFAS 67 "Disclosure of Interests in Other Entities of Investment Entities: Application of Consolidation Exceptions". SFAS 5 (2015 Adjustment) "Operating Segments".
- SFAS 7 (2015 Adjustment) "Related Party Disclosures".
- SFAS 13 (2015 Adjustment) "Investment Property".
- SFAS 16 (2015 Adjustment) "Fixed Assets".
- SFAS 19 (2015 Adjustment) "Intangible assets".
- SFAS 22 (2015 Adjustment) "Business Combinations".
- SFAS 25 (2015 Adjustment) "Accounting Policies, Changes in Accounting Estimates and Errors".
- SFAS 53 (2015 Adjustment) "Share-based Payments".
- SFAS 68 ((2015 Adjustment) "Fair Value Measurements".
- IAS 30 "Levies".
- IAS 31 "Interpretation of the Scope of SFAS 13: Investment Property".

The Company is currently evaluating the application of these accounting standards and has not determined their impact on the financial statements.

BUSINESS SUSTAINABILITY INFORMATION

MATTERS WITH THE POTENTIAL TO SIGNIFICANTLY INFLUENCE BUSINESS SUSTAINABILITY IN THE LAST FINANCIAL YEAR

In line with economic developments to date, the challenges of the global economy faced in 2015 included global economic uncertainties triggered by a slowdown and economic crisis in many countries, the risk of commodity price volatility on global markets, especially crude oil prices, the commitment to participate in and support the ASEAN Economic Community (AEC), and the implementation of the global development agenda post 2015. Meanwhile, domestic economic challenges faced in 2015 included slowing acceleration of economic growth, financial market risks at home, a balance of payments imbalance, and a decrease in social inequality. Both global and domestic economic challenges greatly influenced the direction of government policy in determining the macroeconomic indicator assumptions in the 2015 Draft State Budget (RAPBN).

The government market, which has always been a captive market, must be maintained considering the entry of other competitors who can try to win market share, namely China and India, for PQ WHO products, as well as the ASEAN single market (Asean Free Trade Area / AFTA) coming into force in 2015 and the WTO (World Trade Organization) in 2020. Similarly, the addition of competitors with PQ WHO will increase competition and be able to seize market share. The company must ensure that the largest customers in the domestic sector do not turn to other suppliers. What can be done is to strengthen the domestic market to maintain and improve customer satisfaction, particularly in terms of delivery accuracy and completeness / vaccine diversity needed. These opportunities must be seized by the Company with the provision of products according to the required schedule from our own production or through alliances with other parties.

With Polio eradication expected by 2018, the Company could potentially lose the turnover derived from sales of Polio vaccines, either in bulk or product. To anticipate this, in 2015, the Company increased its production capacity, setting up the infrastructure for new products by taking into account current international regulations. Therefore, the investment plan for 2015 rose sharply compared to previous years. The planned investment includes building construction, as well as production and packaging facilities. The construction of these facilities and the purchase of the equipment contained therein is a multi-year plan up to 2017. Through the above efforts, we expect the potential loss of turnover from Polio vaccine products can be minimized through increased sales of existing and new products.

Bio Farma has implemented an integrated, IT-based ERP (Enterprise Resource Planning) system and Risk Management System to improve efficiency and productivity and to manage the Company well by implementing the principles of good corporate governance (GCG), including strengthening Enterprise Risk Management (ERM) as stated in the company culture, which is PITIC (Professional, Integrity, Teamwork, Innovation Customer Oriented), quality manual documentation, standard guidelines and operating procedures in an optimal and sustainable manner.

In 2015, the company implemented ERP, which integrates almost all the Company's business processes, in accordance with applicable best practices / standards for better control, accuracy and data integration between units work, as well as increasingly accelerated business processes. The role of the integrated information system will greatly assist the Company in the expediting and efficiency of business processes and compliance with regulatory requirements, including GCG implementation. The Company has core competencies.

To realize its vision, the role of Human Resources / HR is very important and must be well managed, thus the Company manages its Human Resources with the paradigm "Human Capital Management", which views human resources as assets that need to be cultivated in terms of knowledge, skills and behavior so that employee value continues to increase through the integrated development program, namely through the performance management system, reward management system, talent management system and knowledge management system. We expect that by having employees who are competent in their fields we can implement international placement. Meanwhile, the Company seeks to improve employee welfare during work and after retirement in the expectation that employees are not only competent but are also loyal and have high integrity toward the Company.

In the assessment of aspects that affect business continuity, Bio Farma has a Compliance & Risk Management Division, Internal Audit Unit (IAU) and Quality Assurance (QA).

The Duties and Responsibilities of the Compliance and Risk Management Division

1. Coordinating the Company's compliance with GCG, regulations and corporate risk activities
2. Monitoring aspects of GCG, Risk and Regulations / Legalities
3. Evaluating aspects of GCG, Risk and Regulations / Legalities

The Duties and Responsibilities of IAU

1. Testing and assessing the implementation of internal audit, risk management and GCG in accordance with the Company's policies.
2. Inspecting and assessing the efficiency and effectiveness of operations, finances, human resources, information technology and other activities in the Company.

The Duties and Responsibilities of the Quality Assurance Division

1. Auditing the Quality Management System, Environmental Management System, Occupational Health and Safety Management System, Good Manufacturing Practice (GMP), Vendors, and Customer Complaints.

Evaluation of The Risk Management System's Effectiveness

Evaluation of the risk management system's effectiveness is conducted by measuring eight Key Risk Indicators, namely:

1. Awareness, i.e. the level of awareness among internal stakeholders on risk in general, as well as the ongoing implementation of risk management.
2. Reputation, i.e. the views and acceptance of internal stakeholders on risk management implementation.
3. Culture, i.e. to what extent the risk awareness culture has taken root and forms the basis of risk management practices.
4. Skills, i.e. the level of competence of internal stakeholders in Risk Management to support risk management implementation.
5. Trust, i.e. the level of trust among internal stakeholders regarding the results of risk management implementation.
6. Resources, i.e. the availability and adequacy of resources, especially human capital, to support risk management implementation.
7. Implementation, i.e. to what extent risk management practices and the management of data / information related to risk management in the Company have been supported by information technology-based automated processes.
8. Process, i.e. to what extent risk management practices have been carried out based on the methodology referred to as the best practice in the field of risk management.

Based on the above measurements, Bio Farma's Risk Management System is deemed to be running effectively and is continuously being developed in accordance with Bio Farma's Risk Management Roadmap, as demonstrated by the following:

- Awareness among risk owners to conduct risk self assessment.
- The risk awareness culture is relatively strong in risk owners, as shown by the efforts to review risks as part of the Company's operational activities.
- Risk Management stakeholders have been able to effectively review risks and employ quantitative risk analysis.
- There are adequate resources for risk management.

There were 916 identified risks from all work units that have been evaluated and measured against their respective likelihood of occurring and their impact, which resulted in a list of prioritized risks that must be controlled.

Risks encountered By The Company

In 2015, there were six corporate risks, four of which arose from routine activities and two from projects, and of which the three highest risks were increasing global competition, delayed supplies of vaccines, and changes to national and international policies / regulations. After determining which risks were related to the company and strategic measures that could be taken to mitigate these risks, the Corporate and Risk Management (CRM) Division, as the unit responsible for corporate risks, assessed and monitored the risk mitigation activities carried out by each work unit. Each Section Head of a risk unit was appointed the person in charge for each risk and measures to mitigate it, which collectively became a measure of effectiveness of Bio Farma's risk management implementation. The details of the corporate risks are as follows:

NO.	RISK CATEGORY	RISK FACED		STRATEGIC MEASURES TO MANAGE RISK
1.	Risks from Regular Activities	1. Change of national and international policy/ regulation	The Company exports its products to various countries in need of the immunization program, of which, among others, are supplied by UNICEF given that the product quality meets WHO prequalification requirements. Therefore, product quality recognition by WHO plays an important role in the smooth export sales. Therefore, the Company must always stay updated regarding policy changes and international requirements, particularly the regulation of the WHO, as well as regulatory changes that may occur in the government. These risks have a considerable impact on the company's ability to make profit so that when this risk occurs, the company can immediately adjust the strategy to the new regulation/policy as soon as possible and prepare anticipatory strategy for when the regulation changes again.	• Implementing Quality Management System (QMS) consistently and continuously in accordance with WHO so that the company can continue to maintain the prequalification status. • Keep working together and support the bulk consumers to maintain Quality Management System to avoid the risk of WHO delisting. • Actively participate in international activities both in WHO and other organizations primarily related to vaccine so as to stay updated on vaccine industry and market developments. • Searching for other bulk consumers to reduce bulk sales dependency only to certain consumers.
		2. Fluctuating Foreign Exchange	In carrying out its business activities, the Company also faces financial risk which is the fluctuations in foreign currency that can have an impact in the form of vulnerability to foreign exchange fluctuations. Fluctuations in foreign currencies, mainly in US Dollars, greatly affect the cost of production. To fulfill the obligations arising from the Company's purchase of goods/imported materials, the company shall optimize the availability of foreign exchange reserves to pay for such transactions. The risk that the Company faces is that there may be a substantial difference in exchange rate, between the one agreed at the opening of the L/C (at the time of the purchase order) and the one at the time of the payment for such goods as they are delivered.	• Analyzing foreign exchange rates that will be used at the time of the purchase order (opening of the L/C) for the imported goods. • Maintaining close communication with vendors to ascertain the arrival of imported goods, given that the longer the time it takes for the goods to arrive, the greater will the difference in exchange rate be.

NO.	RISK CATEGORY	RISK FACED		STRATEGIC MEASURES TO MANAGE RISK
		3. Increasing global competition	In today's era of open markets, competition in the pharmaceutical sector and biological products will be more intense with the increasing number of international companies that have emerged. The competitiveness arises in various aspects, such as the more powerful operational capabilities of international competitors, innovative products, changes in market demand, as well as the people's limited purchasing power. Competitors' products (such as from China and India) that are PQ-WHO certified, and the ASEAN single market may pose a serious threat to the Company's continuation of business. The addition of new competitors that will obtain PQ-WHO certification will also drive up competition and may take the Company's domestic and overseas market share. Therefore, the appropriateness of products that follow market trends is of great importance to the Company. Products that are marketed should meet market demands and can be provided in a timely manner. Delays in introducing new products that are greatly needed will result in the loss of potential markets.	• Performing product research policy in accordance with the trend and seeks to accelerate the research so that the product time to market meets market needs. • Initiating partnership with research institutes/other vaccine producers to accelerate the product availability on the market.
		4. Vaccine Supply Delay	The Company is the only vaccine producer in Indonesia that supplies all vaccines required for vaccination programs in Indonesia. In addition to meeting the government's needs, the Company also exports vaccines to various institutions and other countries. Fulfillment of demands must be carried out in a timely manner, given that the production processes and quality control may take a long time and production capacity is limited which may disturb the product supply requirement fulfillments for bilateral consumers or government institutions from other countries. These risks arises from other related risks such as sudden change in forecast or product orders which followed by last minute change in production plan, and supply shortage of materials due to limited ability of suppliers to fulfill the material specification and quantity. Moreover, delay in signing contracts may shorten time to supply products, thus resulting in the delay of fulfilling order requests. This may be detrimental to the Company's image and reputation and the Company may be demanded to pay a fine.	• Performing continuous coordination with Ministry of Health and other buyers to ensure the contract can be signed in a timely manner. • Optimizing IT based supply chain management. • Optimizing production and QC schedule according to market needs.

NO.	RISK CATEGORY	RISK FACED		STRATEGIC MEASURES TO MANAGE RISK
2.	Project Risks	5. Delayed Realization of Investment	The Company must maintain the availability of products that are aligned to market needs, both through improvement of production facilities and also through research and development of new products. Adequate facilities are required to support this research, development program and the production phase that meets the regulated requirements, as well as capable research and development facility so that that product development may be carried out in a timely manner, and the product can be introduced to the market while the need is still there. Delay in investment programs that support the research and development stage or the production stage will result in loss of potential market. Thus, planning and implementation of the Company's investment programs must be as prompt and accurate as possible.	• Aligning the investment program plan with the needs of research and development of new product and the market requirement for existing products. • Determining priorities in investment program which have major impact on corporate earnings. • Improving the quality of procurement systems and control of project investment execution. • Accelerating the qualification process of new facilities and equipment to be used on schedule.
		6. Unpreparedness of Influenza Vaccine Production In dealing with pandemics	As an anticipative measure for the possibility of a flu pandemic, the government through the Ministry of Health of the Republic of Indonesia is currently building a human flu vaccine manufacturing facility. When the construction is finished, the facility will be handed over to Bio Farma to be managed in anticipation of a flu pandemic. Bio Farma has possessed the technology for flu vaccine manufacturing although in a limited capacity. However, as of now there is no significant development in the plan which brings up a risk of unpreparedness in anticipating the flu pandemic, should it happen.	• Coordinating with Ministry of Health to monitor the possibility of the project continuation and the possibility of a flu pandemic status in Indonesia. • Setting up own production facilities for the seasonal flu vaccine to reduce dependency on imported bulk seasonal flu, and the facility at any time can be used to produce pandemic influenza vaccine if needed (although in a smaller scale).

Risk Management

Bio Farma is committed to complying with all laws and regulations in conducting its activities and continues its efforts to always implement a culture of compliance and ensuring that the compliance function is upheld at all times. This covers the following actions:

- Ensuring that the culture of compliance is espoused by all levels of the organization and in all business activities of the Company.
- Managing compliance risks faced by the Company.
- Ensuring that all policies, provisions, procedures and business activities are aligned with prevailing laws and regulations and business ethics.

CORPORATE GOVERNANCE




GCG
biofarma
WHISTLE
BLOWING
SYSTEM

CORPORATE GOVERNANCE

Bio Farma ensures its long-term growth and development by implementing the best practices of Good Corporate Governance. The company thus satisfies its vision and mission statements, becoming a leading, competitive, and profitable company, in addition to added value to the company's shareholders.

Bio Farma' Prime Performance Evaluation Criteria (PPEC) score in 2015 is 467 points, a 10.47% improvement over 422.75 in 2014.The improved assessment score from the SOE Excellence Forum (SEF) proves that Good Corporate Governance at Bio Farma is stronger and more effective.

The implementation of the principles of Good Corporate Governance/GCG as the basis of Bio Farma operations must to be consistent. GCG is the operational philosophy attached to every Bio Farma's employee attitude, behaviour, mindset, and work. By implementing GCG, Bio Farma is able to develop an image and reputation as a leading Company founded on its Corporate Culture: Professional, Integrity, Team Work, Innovation, and Customer Oriented.

5 (FIVE) PRIMARY PRINCIPLES OF GCG

GCG implementation in Bio Farma is based on 5 (five) primary principles abbreviated as TARIF: Transparency, Accountability, Responsibility, Independency, and Fairness.

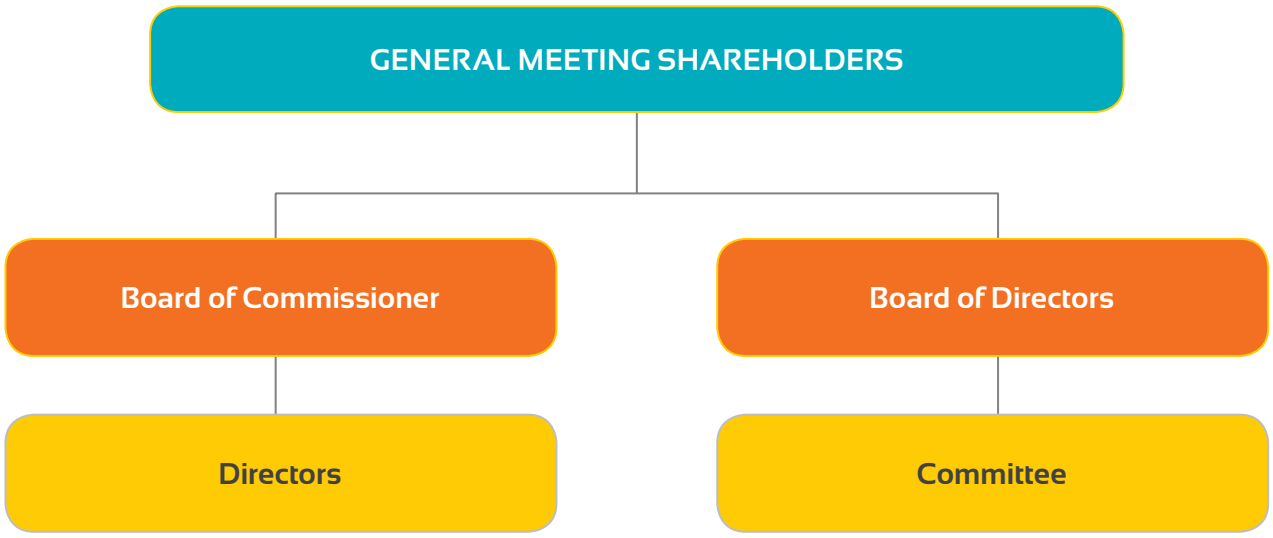
1. Transparency, the openness in disclosing materials and relevant information about the Company.
2. Accountability, the explication of function, the execution and the organ responsibility so that management of the company is done effectively.
3. Responsibility, the conformance in the management of the company regarding the regulations and the principles of a healthy corporation.
4. Independency is a state in which the company is professionally managed without conflict of interest and intervention or pressure from any parties that is not in accordance with the laws and principles of a healthy corporate.
5. Fairness, namely justice and equality in fulfilling the rights of stakeholders arising based on agreement and regulations.



GOVERNANCE STRUCTURE

The governance structure of Bio Farma is based on Law Number 40 of 2007 of Limited Liability Companies. Each company organ consists of three elements: shareholders via the General Meeting of Shareholders (GMS) as the highest decision-making forum for the company's shareoholders, Board of Commissioners to supervise the Company's operations, and Directors to manage day-to-day operations of the Company.The Board of Commissioners and Directors' authorities and responsibilities are clearly outlined in the bylaws of the company and prevailing regulations.

Governance Structure



The Board of Commissioners oversees the Audit Committee and Risk, Development, and GCG Committee to enhance its supervisory role, assist the discharge of its duties, and formulate policies within its scope of authority.

Management, on the other hand, has supporting organs as task force to control, supervise, and account for GCG implementations and as partners to the committees under the Board of Commissioners.



GOVERNANCE POLICY

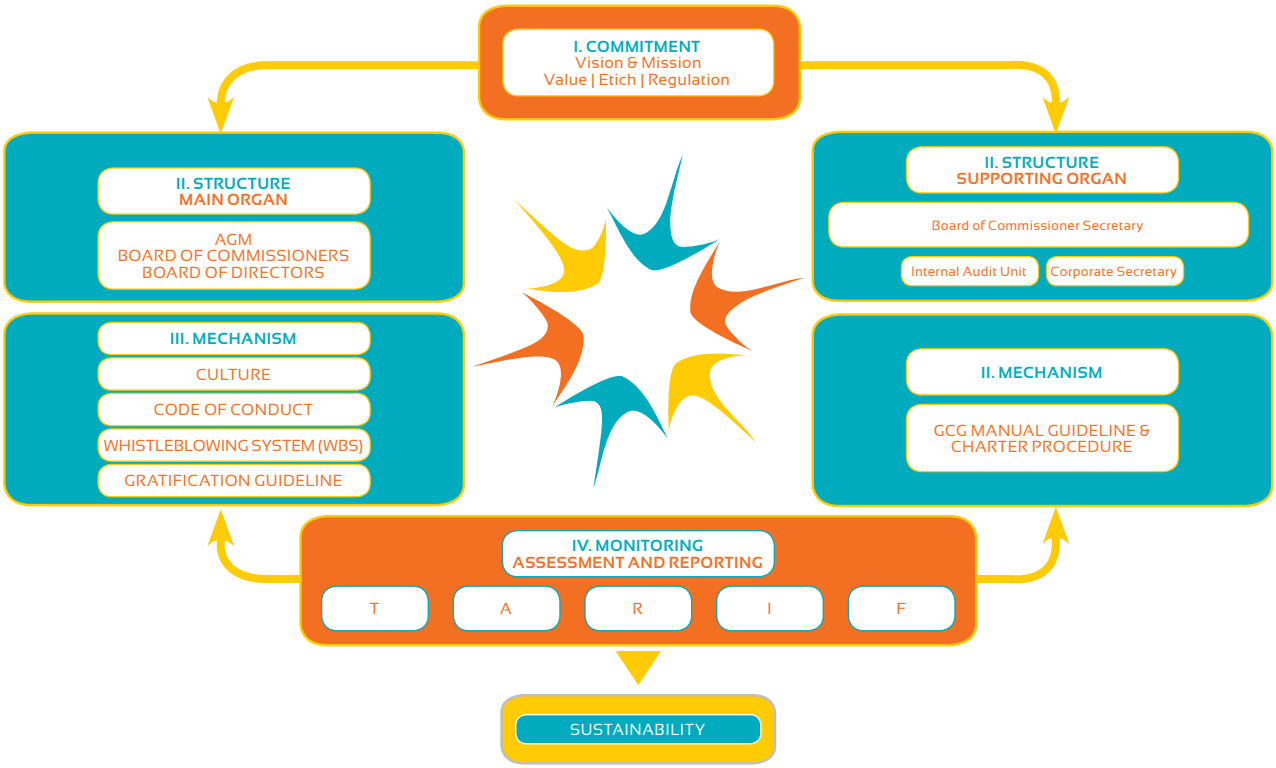
Bio Farma has a number of policies to improve the Company's Governance. Several such policies are:

1. Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-04/DK/BF/II/2013, No. 01023/DIR/II/2013 dated 22 February 2013 on the Guidelines for Good Corporate Governance of PT Bio Farma (Persero)
2. Joint Decree of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-06/DK/BF/II/2013 dated 22 February 2013 on the Guidelines for the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) (Board Manual).
3. Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-05/DK/BF/II/2013, No.01024/DIR/II/2013 dated 22 February 2013 on the Code of Conduct of PT Bio Farma (Persero), as amended by the Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-07/DK/BF/III/2014, No. 01123/DIR/III/2014 dated 6 March 2014
4. Directorial Decree of PT Bio Farma (Persero) No. 01236/DIR/III/2013 dated 4th March 2013 on Guidelines on Control of Grafts in PT Bio Farma (Persero)
5. Directorial Decree of PT Bio Farma (Persero) No. 01026/DIR/II/2013 dated 22nd February 2013 on Policy on the Implementation of Violation Reporting System (Whistleblowing System) in PT Bio Farma (Persero)
6. Directorial Decree of PT Bio Farma (Persero) No. 07882/DIR/XII/2015 dated 30th December 2015 on Guidelines on Managing Conflicts of Interest in PT Bio Farma (Persero)

GCG FRAMEWORK

PT Bio Farma (Persero) has established a GCG framework based on the governance of Bio Farma. The GCG framework is as follows:

Bio Farma GCG Framework



IMPLEMENTATION OBJECTIVES OF GOVERNANCE PRINCIPLES

- Optimise Company values to ensure strong competitive edge at the national and international levels so as to maintain Company operations and sustainability in and achieve its aims and objectives;
- Encourage professional, efficient, and effective Company management as well as empower the functions and independence of Company Organs.
- Encourage Company Organs to make decisions and take actions founded on high moral standing and compliance to prevailing regulations and realization of social responsibility of the Company to its Stakeholders and the environment.
- Improve the Company's contribution to its immediate environment and national economy.
- Improve the conducive climate in the Company's immediate environment.
- Every level in Bio Farma believes that GCG implementation supports the achievement of the Company's objectives in business growth, profitability, and long-term sustainability. As such, the Company provides added-value to its shareholders, improve the welfare of its extended family, and contribute best to the country.

The basis of GCG implementation in Bio Farma is based on, among others:

- Law No. 19 Year 2003 dated 19 June 2003 on State-owned Enterprises;
- Law No. 40 Year 2007 on Limited Liability Companies;
- SOE Ministerial Decree No. 117/M-MBU/2002 dated 31 July 2002 as renewed by the SOE Ministerial Decree No. PER-01/MBU/2011 dated 1 August 2011 on Implementation of Good Corporate Governance in SOEs as amended by the SOE Ministerial Decree No. PER-09/MBU/2012 on Amendment to SOE Ministerial Decree No. PER-01/MBU/2011 on Implementation of Good Corporate Governance in SOEs.
- Secretarial Letter of the SOE Ministry No. S-168/MBU/2008 dated 27 June 2008 on indicators/parameters of assessment on Good Corporate Governance implementation as renewed by the Secretarial Letter of the SOE Ministry No. SK-16/S.MBU/2012.
- General guidelines on Good Corporate Governance issued by the National Governance Policy Committee.

GUIDELINES AND POLICIES IN GOVERNANCE IMPLEMENTATION

As a State-owned Enterprise acting in good faith to ensure continued GCG implementation, Bio Farma has established its own guidelines and policies to implement GCG within the Company. Among the policies are:

1. Directorial Decree No. 05345/DIR/VIII/2006 dated 7 August 2006 on Policy on Implementation of Good Corporate Governance (GCG) within PT Bio Farma (Persero) and renewed by the Joint Decree of the Board of Commissioners and Directors No. KEP-04/DK/BF/II/2013-01023/DIR/II/2013 dated 22 February 2013 on Implementation of Good Corporate Governance.
2. Code of Conduct guideline as reference behaviour for the Board of Commissioners, Directors, and employees of Bio Farma in implementing Company values and conduct daily activities. Behavioural Guideline is an important element in preventing breach of ethics. The guideline is governed by the Joint Decree of the Board of Commissioners and Directors No. KEP-07/DK/BF/III/2014 and No. 011103/DIR/III/2014 dated 6 March 2014 on Amendments on Joint Decree of the Board of Commissioners and Directors No. KEP-05/DK/BF/II/2013 and No. 01024/DIR/II/2013.

3. Whistleblowing System (WBS) is a Company effort to detect frauds, corruptions, thefts, briberies, grafts, conflicts of interest, and violations of law and Company policy/procedures.The policy is set forth in Directorial Decree No. 01026/DIR/II/2013 dated 22 February 2013 on Policy on Implementation of Whisteblowing System in Bio Farma.
4. Controlling grafts, which are important elements in determining standards to prevent corruption and other violations.Grafts are regulated by Directorial Decree No. 01236/DIR/III/2013 dated 4 March on Guidelines on Control of Grafts.
5. Board Manual of the Board of Commissioners and Directors as reference for the bodies in the discharge of their duties and functions.The Board Manual is governed by the Joint Decree of the Board of Commissioners and Directors No. KEP-06/DK/BF/II/2013 and No. 01025/DIR/II/2013 on Guidelines for the Board of Commissioners and Directors (Board Manual) of PT Bio Farma (Persero). The Board Manual is prepared in accordance with prevailing laws and regulations and periodically reviewed and refined.In addition to the Board Manual, the Board of Commissioners is further guided by the Board of Commissioners Charter (BOC Charter) as stipulated in the Decree of the Board of Commissioners No. SK-06/DK/BF/XII/2011 dated 19 December 2011.The Directors is also guided by the Board of Directors Charter (BOD Charter) as stipulated in the Directorial Decree No. 07457/DIR/XII/2011 dated 23 December 2012.

Guidelines and policies on company governance are always updated to reflect current changes, regulation amendments, and business dynamics of Bio Farma. GCG Implementation is expected to prevent corruption, collusion, and nepotism as well as improve the supervisory functions of Company management.

As a concrete step in the Company's commitment in implementing GCG, on 28 April 2015, every Bio Farma employee has signed a Pact of Integrity following internalisation and socialisation of the Guideline on Implementation of Good Corporate Governance, Code of Conduct, Policy on Implementation of Wisthleblowing System, and Guideline on Control of Grafts. Present at the signing was Directors, Board of Commissioners, and Supporting Organs of the Board of Commissioners.The pact was also signed by the Directors, Board of Commissioners, and Supporting Organs of the Board of Commissioners.

In the first quarter of 2015, Bio Farma conducted an internal GCG self assessment undertaken by the PT Bio Farma (Persero) GCG self-assessment counterpart team.The results of the self-assessment is consulted as basis to improve governance of Bio Farma to be more consistent with the principles of GCG.

AS of 2015, PT Bio Farma (Persero) has refined and satisfied the GCG's soft structures, as follows:

1. The preparation of GCG manual as a form of the management's commitment to implement principles GCG, namely:
   a. Code of Corporate Governance in 2013.
   b. Code of Conduct in 2014 to reflect a change in nomenclature of the 2013 Code of Conduct.
   c. Audit Committee Charter in 2014.
   d. Internal Audit Charter in 2012.
   e. Risk, Development, and GCG Committee Charter in 2014.
   f. Risk Management Policy in 2013.
   g. Information Technology Policy in 2012.
   h. Policy on consumer rights as stipulated in the 2014 Code of Conduct.
   i. Policy on Corporate Social Responsibility in 2014.
2. Refinement of the Standard Operating Procedures (SOP) of the Company in reference to structure, work process, and organisational needs.
3. Presentation of newest Company information to stakeholders on the Company website and internal bulletins.

4. Performance of the roles and functions of the Directors, Board of Commissioners, and Shareholders as the primary organs of GCG in accordance with prevailing regulations and Company bylaws.
5. Strengthen the roles and fuctions of the Secretary of the Board of Commissioners, Audit Committee, Risk, Development, and GCG Committee, Corporate Secretary, and SPI as supporting organs of GCG.
6. Conduct regular evaluation on proper GCG implementation through internal assessments (self-assessment) as part of continuous refinement.

In 2015, Bio Farma conducted an evaluation GCG implementation through internal assessments (self-assessment).Internal evaluation is done by the counterpart team established by Directorial Decree No. 00163/DIR/I/2015.In addition, efforts ro improve GCG is done by PPEC (Prime Performance Evaluation Criteria), whose assessment process has been completed on 14 November 2015.The self-assessment score is 85.77.

ASSESSMENT OF GOVERNANCE IMPLEMENTATION

Assessment of GCG implementation within Bio Farma is based on Article 44 of the SOE Ministerial Regulation No. PER-01/MBU/2011 dated 1 August 2011 on Measures of Good Corporate Governance Implementation in SOEs. Chapter XII of the Regulation, Measures of GCG Implementation, requires SOEs to conduct appraisals of GCG implementation in the form of assessments. Assessments, in this case, are programmes to identify GCG implementation in SOEs by means of appraising the conduct and implementation of GCG in SOEs. SOEs are required to conduct the appraisals routinely every 2 (two) years and hold evaluations or reviews, i.e. programmes to describe future actions in the conduct and implementation of GCG in SOEs in the year following the appraisal. Reviews consist of evaluation of the results of the appraisals and follow-up actions on improvement recommendations.

The Finance and Development Supervision Body (FDSB) Representative Office of West Java is a government institution competent in appraising GCG. The Body has conducted GCG assessments in the last five periods.In 2015, the FDSB West Java Representative Office has conducted the 2014-Q1 Year 2015 GCG assessment, in accordance with the Letter of Assignment of the Head of the FDSB Representative Office of West Java No. ST-1919/PW10/4/2015 dated 23 July 2015.

The assessment began on 3 August 2015 with the following result:

Assessment Results of GCG Implementation – FDSB West Java Representative Office on PT Bio Farma), 2011-2012 & 2014-Q1 2015

	WEIGHT	SCORE		% ACHIEVEMENT		DESCRIPTION	
ASPECT		2011-2012	2014-2015	2011-2012	2014-2015	2011-2012	2014-2015
Commitment towards sustainable good corporate governance implementation	7.00	5.54	6.06	79.14%	86.61%	Good	Excellent
Duties and responsibilities of shareholders/GMS	9.00	7.77	8.17	86.33%	90.72%	Excellent	Excellent
Board of Commissioners/ Supervisory Board	35.00	30.68	32.04	87.66%	91.53%	Excellent	Excellent
Board of Directors	35.00	31.91	31.61	91.17%	90.30%	Excellent	Excellent
Information disclosure and transparency	9.00	7.51	7.71	83.44%	85.64%	Excellent	Excellent
Other aspects	5.00	0.000	1.25	-	-	-	-
Total	**100.00**	**83.416**	**86.83**	-	-	**Good**	**Excellent**

The GCG assessment results for 2006, 2007-2008, and 2009-2010 are as follows:

ASPECT	WEIGHT	SCORE			% ACHIEVEMENT			DESCRIPTION		
		2006	2007 -2008	2009 -2010	2006	2007 -2008	2009 -2010	2006	2007 -2008	2009 -2010
Duties and responsibilities of shareholders/GMS	9.00	5.94	6.77	7.00	66.00%	75.22%	77.78%	Fair	Good	Good
Good Corporate Governance (GCG) Policy	8.00	5.44	5.34	6.68	68.00%	66.75%	83.50%	Fair	Fair	Good
Good corporate governance implementation (GCG)										
a. Board of Commissioners	27.72	18.62	23.38	24.11	68.96%	86.59%	89.30%	Fair	Excellent	Excellent
b. Commissioners Committee	5.28	4.25	4.97	5.31	70.83%	82.83%	88.50%	Fair	Good	Excellent
c. Board of Directors	27	19.04	22.55	24.62	70.52%	83.52%	91.19%	Fair	Good	Excellent
d. Internal Audit Unit (IAU)	3	2.87	2.34	2.35	95.67%	78.00%	78.33%	Sangat Baik	Good	Good
e. Corporate Secretary	3	2.73	3	2.87	91.00%	100.00%	95.67%	Sangat Baik	Excellent	Excellent
Disclosure	7.00	2.86	5.61	6.62	40.86%	80.14%	94.57%	Tidak Baik	Good	Excellent
Commitment	10.00	6.67	7.89	7.13	66.7%	78.9%	71.3%	Fair	Good	Fair
Total	**100.00**	**68.39**	**81.83**	**86.68**	**68.39%**	**81.83%**	**86.68%**	**Fair**	**Baik**	Excellent

INTERNAL ASSESSMENT OF GCG IMPLEMENTATION (SELF-ASSESSMENT)

In principle, evaluation is done by the SOE in question (self-assessment), whose conduct may be discussed or assisted with independent assessors or conducted by recruiting the services of a government institution competent in evaluating GCG.Evaluation of GCG implementation conducted by Bio Farma in 2015 is internal (self-assessment) and carried out by a counterpart team established by Directorial Decree No. 00163/DIR/I/2015.The Counterpart Team started on 1 April 2015 and concluded its duties on 28 July 2015.The GCG Implementation Self-Assessment score is 85.7684.

ASSESSMENT OF EXCELLENCE PERFORMANCE EVALUATION CRITERIA (KPKU)

In accordance with the mandate in the Secretarial Letter of the SOE Ministry No. S-08/S.MBU/2013 dated 16 January 2013 on Guidelines on Definiton of Key Performance Indicators (KPI) and excellence Performance Evaluation Criteria (PPEC) in State-owned Enterprises (SOE), Bio Farma has conducted PPEC 2015 on 14 to 20 November 2015.The establishment of PPEC as KPI by the Directors is to ensure coherence and consistency in the organization of performance management within Bio Farma.PPEC scores reflected the quality of the expected performance management within Bio Farma.

By making use of PPEC to determine KPI, Bio Farma expects to improve its control effectiveness, optimise its efforts to capitalise its potential, and accelerate its growth.

KPKU Score received by Bio Farma for 2013-2015

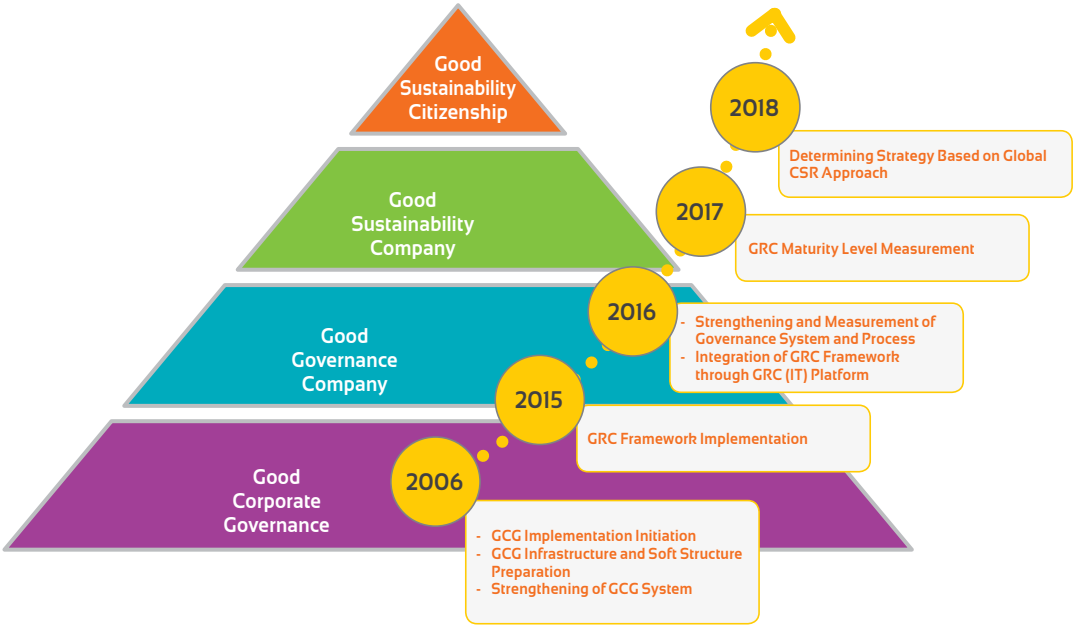
NO.	YEAR			%	
	2013	2014	2015		
KPKU Score	315	422,75	467	134,21	110,47

ROADMAP GCG

In improve the quality of GCG implementation, the management has established the GCG Roadmap 2006-2018 consisting of four phases and in harmony with the five-year Long-term Company Plan (LTCP).The end result is becoming a global company whose strategies are based on Global CSR approaches aimed at Good Sustainability Citizenship.

To strengthen its commitment and improve its performance, Bio Farma has coordinated with appointed consultants to refine the following GCG Roadmap, as follows:

Roadmap GCG PT Bio Farma (Persero) 2015-2018



2006-2015

- Signing of the "Bio Farma GCG Promise" agreement between Shareholders, Board of Commissioners, Directors, and Workers Union
- Formation of GCG Implementation Team
- Drafting of a Code of Conduct, Board Manual, Audit Committee Charter, and Internal Audit Charter
- Signing of a conflict of interest statement by the Board of Commissioners
- Implementing GCG assessments
- Forming the Risk Committee
- Drafting Policies on GCG, Information Technology, and Corporate Social Responsibility
- Application of various integrated systems, systems, and world-class standard guidelines
- Drafting of Sustainability Reports based on Global Reporting Initiative (GRI)
- Appointing GCG as Key Performance Indicators (KPI) in Management Contracts
- Drafting Policy on Whistleblowing System (WBS) and Control on Grafts based on the 2009 Code of Conduct
- Formation of structures managing GCG and ERM
- Signing of an annual pact on integrity on GCG implementation by the Directors, Board of Commissioners, and employees
- Refining GCG Guidelines and Codes of Conduct
- Implementing programmes to strengthen the implementation of Codes of Conducts of employees
- Incorporation of materials from the Codes of Conduct in new employee orientations
- Updating LHKPN policies
- Socialization and implementation of WBS Policy and Graft Control Policy
- Changing company culture values into PITIC
- Drafting of GCG Roadmap and GRC Framework
- Establishing and implementing self-assessed GCG implementation evaluation systems

NOTES	GOOD CORPORATE GOVERNANCE: DEVELOPING THE GOOD CORPORATE GOVERNANCE SYSTEM								
	2015				2016				
	GRC WORKING FRAMEWORK IMPLEMENTATION				STRENGTHENING AND MEASURING THE GOVERNANCE SYSTEM AND PROCESS AND INTEGRATION OF THE GRC FRAMEWORK THROUGH THE GRC (IT) PLATFORM				
Program	Determining the GRC Working Framework as a Corporate Policy	Implementing IT-based Risk Management	GRC Application	Compiling BCM Policy and Procedures	Implementing Periodic GCG Self Assessment	Strengthening GRC Infrastructure and Soft Structures	Measuring the Whistle Blowing System (WBS) Effectiveness	Application and Testing of BCM	Integrating the GRC Framework into the IT system (GRC Platform)
Objective	Formalizing the GRC framework as a corporate policy	Improving the effectiveness and efficiency of IT-based risk management	Strengthening GCG application through a risk management and compliance approach	Ensuring critical business function continuity during incidents that have the potential to disrupt / stop the company's business operations	Independently monitoring GCG implementation developments in the company	Improving the clarity and function of the GRC management structure in the company, as well as the completeness of supporting policies and procedures related to the application of GRC in the company.	Indentifying to what extent WBS can be effectively implemented in the Company, as well as identifying the weaknesses and shortcomings in the system to make further Improvements.	Applying and integrating BCM procedures into the company's business processes. Ensuring supporting BCM procedures and infrastructure run effectively.	Improving GRC application through integration of the GRC working framework into the IT system.
Activities	Determining company policy related to GRC implementation within the company based on the established GRC working framework	Conducting a review to identify the requirements to determine the IT model to be used in the risk management system Determining an IT system infrastructure to support implementation of the risk management system Conducting ongoing development, especially for related work units, to improve understanding of IT-based risk management	Improving employee awareness of the GRC working framework Implementing GCG, risk management and compliance in an integrated manner	Conducting business impact analysis and risk assessment. Determining BCM strategy and compiling BCM policy. Compiling BCM procedure and compiling the annual BCM program.	Conducting periodic independent mapping through measurement of GCG implementation quality within the company. Identifying the strengths and shortcomings of GCG implementation within the company. Following up on recommendations made from assessment conducted in the previous period.	Studying the adequacy of the GRC management function and structure within the company. Reviewing policies and procedures related to GRC implementation. Refining GRC policies and procedures, as well as the adequacy of the GRC management function and structure based on Implemented studies	Conducting reviews of the company's WBS policy and system. Reviewing the company's WBS policy and system. Conducting studies to identify the adequacy or shortcomings of the system. Determining benchmarks of WBS implementation in other, more advanced, companies.	Disseminating information and training to provide understanding of BCM. Developing BCM infrastructure requirements. Testing BCM procedures and infrastructure	Integrating the GRC working framework into the IT system for the integrated application of GCG, Risk Management and Compliance. Identifying the weaknesses and shortcomings of the integration system.

NOTES	GOOD CORPORATE GOVERNANCE: DEVELOPING THE GOOD CORPORATE GOVERNANCE SYSTEM									
	2015				2016					
	GRC WORKING FRAMEWORK IMPLEMENTATION				STRENGTHENING AND MEASURING THE GOVERNANCE SYSTEM AND PROCESS AND INTEGRATION OF THE GRC FRAMEWORK THROUGH THE GRC (IT) PLATFORM					
Indicator	Satisfactory employee understanding of the GRC working framework. GRC can be applied in accordance with established policies.	Increasingly efficient risk management implementation supported by an adequate IT system.	Use of a risk and compliance approach in GCG application within the company. The existence of a strong link between risk management and compliance with the corporate governance system.	Establishment of company BCM policies and procedures	Knowledge of the map of GCG implementation current practices in the company. Recommendations based on assessment of the prior period have been followed up.	Clarity of GRC management function and structure. Complete and adequate GRC policies and procedures.	Improved understanding of WBS procedures by company employees and stakeholders. Smooth functioning of reporting channels for violations. Improved employee awareness to not violate company rules marked by a reduction in the number of violations. Improved awareness among company employees and stakeholders to report knowledge of any violations.	Integration of BCM procedures into business processes. Fulfilling procedures and infrastructure to support BCM.	Integrating the GRC working framework into the IT system for smooth running.
Results	GRC implementation policy for the company.	Implementation of effective IT-based risk management in the company	Effective GRC implementation	BCM policies and procedures supported by an organization structure for BCM implementation	Ongoing GCG self assessment resulting in a map of GCG implementation practices in the company from time to time	Clarity of GCG management function and structure supported by complete and adequate GRC policies and procedures.	Effective WBS implementation within the company.	Effectively run BCM procedures integrated into business processes and supported by adequate procedures and infrastructure	Adequate integration of the GRC framework within the IT system for effective GRC implementation

DESCRIPTION	GOOD CORPORATE SUSTAINABILITY: MEASURING GRC MATURITY LEVEL	*GOOD SUSTAINABILITY CITIZENSHIP: ACHIEVEMENTS AS AN ETHICAL AND RESPONSIBLE GLOBAL COMPANY*		
	2017	2018		
	MEASURING GRC MATURITY LEVEL	DETERMINING STRATEGY WITH A GLOBAL CSR APPROACH		
Program	Measuring GRC Maturity Level	Measuring KPKU-based KPIs	Obtaining GCG awards.	Determining strategies based on Global CSR.
Objectives	Determining maturity levels for the application of all corporate GRC components.	Measuring company performance achievements referring to KPKU to improve the company's business growth, profits and competitiveness.	Building the company's reputation as a well-governed company.	Determining company strategy consistent with community development, as well as care for the environment, to build the company's reputation as a corporate citizen.
Activities	Assessing GRC Maturity Level Gap analysis Making recommendations to improve the maturity level.	Comprehensive understanding of KPKU-based KPI assessment Improving Company performance achievements. Measuring KPIs using KPKU substance as a basis.	Actively participating in GCG award events. Holding routine GCG forums in the company.	Running business activities with high attention to social and environmental care. Improving the Company's role in community development and environmental conservation. Incorporating corporate social responsibility when determining the Long Term Plan. Measuring the company's performance in achieving sustainable development objectives that involve economic, social and environmental aspects (triple bottom line), with reference to Global Reporting Initiative (GRI) criteria. Conducting audits of the company's Sustainability Reports.

	GOOD CORPORATE SUSTAINABILITY: MEASURING GRC MATURITY LEVEL	*GOOD SUSTAINABILITY CITIZENSHIP: ACHIEVEMENTS AS AN ETHICAL AND RESPONSIBLE GLOBAL COMPANY*		
	2017	2018		
DESCRIPTION	MEASURING GRC MATURITY LEVEL	DETERMINING STRATEGY WITH A GLOBAL CSR APPROACH		
Indicators	Knowledge of GRC maturity level in the company. Achieving target maturity level	Use of KPIKU as a basis for KPI measurement.	Company participation in various GCG award events, such as the Corporate Governance Perception Index (CGPI), Annual Report Awards (ARA), etc. Winning GCG awards at various events	Commitment by the company to sustainable development programs. Real contribution by the company to economic, social and environmental aspects for the government. Improved community welfare and health. Improved ratings in environmental performance awards (PROPER) from Green to Gold.
Results	Maturity level report and new work program for improved maturity.	Improved company business growth, profit and competitiveness.	The Company is recognized as having good corporate governance.	The Company is recognized as an ethical and responsible global company.

Regulatory Compliance

Bio Farma employees are required to comply and satisfy policies and regulations issued by the Company and national regulations.

Disclosure of Information

The Company is required to disclose vital information in its Annual Report and Finanial Statements in accordance with prevailing laws punctually, accurately, clearly, and objectively as stipulated in Law Number 14 Year 2008 and SOE Ministerial Regulation No. 01 Year 2011.

The Directors report relevant information to the Shareholders and Board of Commissioners in their Management Report (Quarterly and Annually) and Annual Report.

The submission of Management Reports (Quarterly and Annually) and Annual Reports are punctual.

As proof of its commitment to freedom of information, Bio Farma yet again won the Public Information Transparency Award 2015 from the Central Information Commission presented at the State Palace on 15 December 2015.The award was presented by the President of the Republic of Indonesia, Joko Widodo, to the Director of Production of Bio Farma, Juliman. Bio Farma has won the award three times since 2013. The award is a recognition to Bio Farma's consistent commitment to satisfy Law Number 14 Year 2008 on Freedom of Information (FoI), which stipulates State-owned Enterprises (SOEs) to disclose information in the public's interests.

Bio Farma is the runner-up in the SOE category with a score of 89.8.Thanks to the public information service, the public's right to obtain information on the company, business processes, governance, financial statements, corporate social responsibilities, and other relevant information is satisfied.

"The award is an achievement for Bio Farma, for we have fulfilled our legal duties as an SOE to provide information to the public. Bio Farma is fully seized of this regulation by disclosing the Types of Public Information stated in Law Number 14 Year 2008."

Prevention of Conflicts of Interest

Every Company Official and Employee are to prevent conflicts of interest.A conflict of interest is a situation in which members of the Board of Commissioners, Directors, and Employees of the Company took advantage of their position and authorities within the Company to satisfy their personal, familial, or group interests in such a manner that they can no longer discharge their duties objectively.

Conflict of interest within Bio Farma is regulated by the Directorial Decree of PT Bio Farma (Persero) No. 07882/DIR/XII/2015 on Guidelines on Managing Conflicts of Interest:

1. Bio Farma employees must position their attitude, behaviour, and actions in such a way to prevent conflicts of interest.
2. Bio Farma employees who might be in a conflict or is in a conflict of interest are PROHIBITEDfrom continuing their duties and responsibilities.The employee must disclose the conflict of interest which he or she is currently in/have knowledge of and may not participate in decision-making.
3. Dual positions which may cause conflicts of interest held by a Bio Farma employee is permitted on condition that there are Company policies and regulations on such issues.
4. Bio Farma employees who might be in a conflict or is in a conflict of interest must draft and submit a Conflict of Interest Statement detailing such conflicts to his or her immediate superior.
5. Heads of units and direct superiors are directly responsible to satisfactorily handle conflits of interest.

Giving and Receiving Gifts, Souvenir, Dining, Entertainment, Donation, and Other Facilities

In regard to giving donations and other facilities, Bio Farma employees and their families are:

1. Prohibited from giving/receiving gifts, souvenir, dining, entertainement, donation, and other facilities bearing relations with their position and in contravention of their duties and responsibilities, as follows:
   a. Cash/goods/other facilities to influence the policies/decisions/treatment of Stakeholders.
   b. Cash/goods/other facilities, regardless of value, following services rendered in relation to their duties, authorities, or responsibilities.
   c. Cash/goods/other facilities to Bio Farma employees and their families, auditors, and guests during work travels.
   d. Cash/goods/other facilities in the recruiting/promoting/career transfer of employees.
2. Bio Farma employees may give gifts, souvenirs, dining, and entertainment to other parties given that:
   a. It is in the interest of the Company in social interactions, build sound working relations with other Companies and Business Partners, and accountable. It should be done within acceptable limits at respectable locations so as not to form negative press of the Company, does not cause conflicts of interest with regard to the discharge of the employees' duties or responsibilities, or affect Company decisions and operations.
   b. It is not intended as bribe.
   c. Budgeted by the Company.
   d. Gifts and souvenirs must bear Bio Farma's logo.
3. Expenses for Gifts, Souvenir, Dining, Entertainment, and Donation are provided if authorized by the competent Company Official.
4. Gifts, Souvenirs, Dinings, Entertainments, Donations, and Other Facilities which may be accepted without disclosure are:
   a. Received as direct prizes/raffles, discounts/rebate, vouchers, reward points, or souvenirs commonly given and not related with employment.
   b. Received from academic and non-academic achievements (championship/contest/competition) at own expense and not related with employment.
   c. Received from profits/interest from fund placements, investments, or privately-owned shares commonly given and not related with employment.
   d. Received as compensation from professions beyond employment, not related with the employees' primary duties and function, not in conflicts of interest and Codes of Conduct, and with written permission from their direct superior.
   e. Received from vertical second-degree kins and/or horizontal first-degree kins provided that it does not cause conflicts of interest with the Bio Farma employee.
   f. Received from vertical first-degree affines and/or horizontal first-degree affines provided that it does not cause conflicts of interest with the Bio Farma employee.

g. Received from parties in kinship as stated in paragraph (f) and (g) above on occasion of marriage, circumcision of children, birthdays, religious/adat/traditional festivals and not from those who might cause conflicts of interest with the Bio Farma employee.
h. Received from other parties on occasion of disaster or other accidents and not from those who might cause conflicts of interest with the Bio Farma employee.
i. Received from the conduct of official duties, such as meetings, seminars, workshops, conferences, trainings, or other activities of sort commonly given in such activities, such as seminar kits, certificates, and placards/souvenirs.
j. Received from the conduct of official duties in the form of dinings/banquets of commonly given food and drink.

5. Bio Farma employees may accept honorariums and business trip expenses from the organizer of the trip wherein the the Bio Farma employee is appointed to represent the Company, provided that the employee disclosed such facts to the competent Company official (Head of Compliance & Risk Management or other appointed officials).
6. The Company allows disbursement of funds for the public in the form of donations for social/ charity purposes within accepted limits as proof of the Company's commitment and responsibility to improve the welfare and development of the public.

Equal Opportunities to Employment and Promotion

In accordance with the Joint Decree of the Board of Commissioners and Directors of PT Bio Farma (Persero) No. KEP-05/DK/BF/II/2013, No. 01024/DIR/II/2013 dated 22 February 2013 on the Codes of Conduct of PT Bio Farma (Persero) and amended by the Joint Decree of the Board of Commissioners and Directors of PT Bio Farma (Persero) No. KEP-07/DK/BF/III/2014, No. 01123/ DIR/III/2014 dated 06 March 2014.

The Company is committed that every employee has the same rights to rank and position promotions and their career advancements in the Company by virtue of their skills, merits, and performance. The Company highly respects equal opportunities and prohibits all forms of racial, ethnical, gender, and religious discriminations.

The Company provides equal and identical opportunities and just treatment for all Employees and does not tolerate discriminating practices for any reason whatsoever.

The Company prohibits all forms of harassment and intimidation, and is committed to maintain a working environment free from harassment and intimidation, be it against superiors, subordinates, colleague, Customers/consumers, suppliers, or Business Partners.

Such harassment and intimidation may be in the form of threats, acts of violence, and various forms of discrimination and harassment based of differences in ethnicity, religious beliefs, skin colour, gender, age, or disabilities made in comments, jokes, and/or similar acts.

The Company shall investigate every case of harassment and initimidati on and shall take strong actions against the offender.

Political Activities

In regards with political activities, every Bio Farma employee:

1. Shall not make use of the name, assets, and capabilities of the Company for certain political objectives.
2. Shall not use the Company name or provide contributions or donations on behalf of the Company to any political parties.
3. Shall not make agreements, associations, or statements, both directly and indirectly, which may be construed in such a manner that the Company has ties with any political parties.
4. Shall not conduct political activities, both directly and indirectly, on Company premises.
5. If an employee holds a position in the managing committee of a political party, applies as candidate of the legislative body and/or is elected member of legislative body, the employee shall submit his resignation from the Company.
6. Shall not wear attributes of political parties or politically-affiliated social organisations within the Company premises.

Indecency, Narcotics, Drugs, and Gambling

Every Bio Farma employee is:

1. Prohibited from conducting all forms of indecent behaviours such as sexual harassments, abasements, and slander/libel.
2. Prohibited from using, distributing, possessing, and selling all forms of narcotics, illicit drugs, and alcohol.
3. Shall not distribute all forms of pornography.
4. Shall not partake in an form of gambling.
5. Shall not carry firearms, sharp weapons, or other form of weapons within the Company premises.

Recording and Compiling of Company Data and Integrity of Financial Statements

Every Bio Farma employee is required to manage the Company's data neatly, orderly, accurately, and punctually, as follows:

1. Record data and compile reports from valid sources whose accuracy is verified and accounted.
2. Submit correct, complete, clear, punctual, and accountable reports.
3. Documenting documents, reports, and files in accordance with Company policy.
4. Store all documents, reports, and files in accordance with Company policy.
5. Use, distribute, and destroy documents, reports, and files in accordance with Company policy.
6. Forgery of Company documents, reports, and files is prohibited.
7. Documents, reports, and files containing false information or illegal transactions must be reported.
8. Any person from his position or profession in, or having business relations with, the Company is prohibited from, using Company reports, files, or information for personal gains, or cause damage to the Company or its Stakeholders.
9. Every Bio Farma employee is responsible for the accuracy and validity of documents, reports, files, and information under his purview.
10. The Company's Financial Statements are to be compiled accurately as the data reflects the principles of integrity and business honesty. The Company's reputation hinges on the accuracy of its data.

Protection of Company Information

1. Every Bio Farma employee is required to maintain the secrecy of the Company's non-public information in accordance with prevailing regulations, company regulations, and common business practices.
2. Non-public information is that which is not disclosed by the Company or not generally accessible to the public. Such information includes discoveries, research and development processes, production processes, testing processes, product formulas, new product launches, strategic and business plans, technical specifications, price, employee data, contracts, business proposals, financial data, product costs, mergers and acquisitions, and customer registries.
3. Non-public information may only be disclosed by the competent official so as to provide relevant information to internal or external auditors during audits, or to law enforcement personnel undertaking inquiries and investigations in accordance with prevailing regulations.
4. Bio Farma employees working with data or information considered secret belonging with their employer, partner, and Business Partner are prohibited from disclosing such information to external parties without prior approval from the Directors. No employee shall disclose such information to other parties unless explicitly required by the law.
5. Bio Farma employees whose terms of employment have concluded are prohibited to disclose non-public information acquired during their employment, unless such information is required in legal inquiries and investigation in accordance with prevailing laws or when such information is no longer non-public.

6. Freedom of Information:
   a. The Company shall disclose relevant important information pertaining with Company business to the authorities in its Annual Report, Management Reports, and the like in accordance with prevailing regulations punctually, accurately, clearly, and objectively.
   b. The Company shall disclose information pertaining to the its activities to interested parties in accordance with its Freedom of Information Policy.

Protection of Company Assets

With regards to Company assets, every Bio Farma employees is required to:

1. Care, maintain, secure, and save Company assets in accordance with prevailing regulations.
2. Use Company assets in accordance with its allotment, position, authority, and scope of duty.
3. Not use and make use of Company assets for personal and group interests, policital activities, and other third party needs.
4. Not move illegitimately move equipment, supplies, or other Company assets.
5. Use communication facilities and equipment such as telephones, fax machines, email, and other communication media for Company needs only. Personal communication should be limited and maintained at minimum levels.
6. Maintain the accuracy of recording and reporting of Company assets in accordance with prevailing regulations.

GIVING/RECEIVING GRAFTS DEEMED BRIBERY

In accordance with the Directorial Decree of PT Bio Farma (Persero) No. 01236/DIR/III/2013 on Control of Grafts in PT Bio Farma (Persero), Bio Farma employees are prohibited to accept/give grafts on their own initiative or on the initiative of others which, either directly or indirectly, pertains to their positions and in contravention of their duties, such as:

1. Accepting or receiving cash/goods/other facilities to influence the policies/decisions/treatment of Stakeholders;
2. Accepting or receiving cash/goods/other facilities, regardless of value, following services rendered in relation to their duties, authorities, or responsibilities;
3. Accepting or receiving cash/goods/other facilities during their business trips;
4. Accepting or receiving cash/goods/other facilities in recruiting/promoting/career transferring of employees;
5. Accepting or receiving cash/goods/other facilities, including, but not limited to, vouchers and cheques given to Bio Farma employees as a note of gratitude by third parties in relation to procuring goods and services for the Company following the selection of or services rendered to the Company;
6. Unofficial gifts in the form of cash/goods/facilities as a note of gratitude to Bio Farma employees from third parties in relation to work propriety examinations and/or work approval processes conducted by the third party in the Company;
7. Promising, offering, or giving Grafts to third parties deviating from the stipulation in this Code and prevailing regulations;

8. Bribing or giving items in any form to third parties, including, but not limited, to officials of certain institutions with intent to affect decision-making;
9. Unofficial gifts in the form of cash/goods/facilities to Bio Farma employees from third parties who are the Company's Business Partners, such as Banks, Insurance Companies, Travel Bureaus, or companies/consultants for agreements/ partnerships made with the Company;
10. Accepting loans not conventionally available to the public from Banks or other financial institutions due to the employee's position and authority within Bio Farma;
11. Accepting profits such as amounts/percentage of interest or commercial discounts not conventionally available to the public due to the employee's position and authority within Bio Farma;
12. Accepting specifically prepared food, drink, or entertainment due to the employee's position or authority within Bio Farma not related with his official duties;
13. Giving entertainment, tour packages, accommodation, or other facilities in relation with the discharge of duties and responsibilities of Bio Farma employees in third party companies, without relevance or connection with such appointments;
14. Giving hampers in any form from third parties to Bio Farma employees or from Bio Farma employees to third parties in relation with certain religious festivals;
15. Third parties giving Bio Farma employees, including their members of the house, on certain occasions , including but not limited to birthdays, marriages, and graduations, goods whose material value exceeds Rp1,000,000 (one million Rupiah) from each party;
16. Giving assistance to third parties using Company properties/funds/facilities for and on their private behalf;
17. Giving items in any form to Bio Farma colleagues and/or third parties in contravention with religious procedures, decency, and stipulations of this Code;
18. Giving items in any form to Bio Farma colleagues and/or third parties which are assets/properties/ facilities belonging to the Company without documentation and accountability;
19. Every Bio Farma employee and/or their members of the house are prohibited from giving Grafts to third parties, either directly or indirectly, following requests for such from the third parties.

CONSUMER PROTECTION

Bio Farma is committed to satisfy every agreed sales contract in order to improve customer satisfaction and their supplies.This commitment is reflected in the Company ethics:

1. Strive to deliver quality, affordable products
2. Promote professional service standards to ensure customer satsifaction
3. Consider customer needs by improving work standards systems backed by cutting-edge technologies.
4. Maintain product quality, occupational safety, and innovation at each stage of development, production, and distribution.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Bio Farma fully supports the increase of OHS awareness and compliance as well as improving the participation of every party to optimize OHS culture implementation within the Company. Thus, OHS is expected to prevent or minimize occupational accidents, illnesses, and other hazards.

An effort which has been carried out in OHS implementation is OHS socialization in every aspect of the Company, including OHS monitoring and routine

safety patrols. For the public, Bio Farma's emergency response team (ERT) provided direct assistance for victims of natural disasters, such as volcanic eruptions, flash floods, tsunamis, landslides, and floods.

Bio Farma's success in implementing OHS is reflected by its OHSAS 18001: 2007 Occupational, Health, and Safety Management System Certificate.

In addition to the OHSAS 18001: 2007 Certificate, Bio Farma has been awarded the Zero Accident Award for three consecutive years in recognition of zero recorded accidents in its premises by the Ministry of Manpower and Transmigration of the Republic of Indonesia.

By optimizing its OHS Management System and implementation, Bio Farma aims to create a safe, comfortable, and healthy workplace with zero occupational accidents and illness so as to improve its production and national productivity. Bio Farma formed the OHS Supervisory Committee to ensure a physically and mentally fit workforce by identifying, analyzing, assessing, and controlling hazardous potentials of equipment, materials, processes, procedures, and environment based on the application of science, technology, regulations, and OHS principles.

OHS system established involves active participation of every party to reduce and prevent occupational accidents and illnesses that thus creates a safe, efficient, and productive workspace. OHS implementation is expected to reduce lost man hours due to occupational accidents, material losses, deaths, and create an efficient and productive workspace..

DIVIDEND POLICY

It is Bio Farma's policy to pay dividends to shareholders at least once a year with consideration to its financial standing and without depreciating the rights of the Company's General Meeting of Shareholders.

On March 21st, 2015, the Annual General Meeting of Shareholders, in the General Meeting of Shareholders (GMS) on Annual Report 2014, has agreed that the dividend obligation of the net profit of the 2014 financial year is Rp145,015,000.00. The dividend obligation of the net profit of the 2015 financial year shall be agreed in the GMS on Annual Report 2015.



DESCRIPTION ON THE BOARD OF COMMISSIONERS

The Board of Commissioners is a company organ that is responsible for supervising the Company's management based on the Articles of Association and providing recommendations to the Board of Directors.

Appointment and Dismissal of the Board of Commissioners

Appointment of the Board of Commissioners

1. The Board of Commissioners is appointed and dismissed by the Shareholders through the GMS. All members of the Board of Commissioners are appointed and dismissed with consideration to the aspects of integrity, competence, and reputation, in accordance with Bio Farma's business requirements. The Board of Commissioners is appointed and dismissed by the Shareholders through the GMS with the following quality as consideration: 1. Having an integrity, dedication, understanding of salient issues that are related to one of many management functions, adequate knowledge of the Company's business, and has adequate time to carry out their tasks.
2. Is able to carry out legal actions and has never been declared bankrupt for the last five years prior to the appointment, has never been appointed as member of the Board of Directors or the Board of Commissioners that has been declared guilty for causing a business entity to go bankrupt for the past five years prior to the appointment, and has never been indicted for any criminal offense that result in the loss of the state's finances and/or anything related to the financial sector for the past five years prior to the appointment. The appointment of the Board of Commissioners includes the fit and proper test.

Dismissal of the Board of Commissioners

The dismissal of the a Commissioner takes place if said Commissioner is deemed unable to carry out its tasks adequately, has violated the provisions of the Articles of Association of the Company and/or regulations, is involved in actions that result in the loss of a State-Owned Enterprise and/or the state, has conducted actions that violate ethics and/or the principle of decency expected from members of the Board of Commissioners of a State-Owned Enterprise, charged as guilty by the court with a permanent legal force, or resigns.

Composition of the Board of Commissioners

2015 marks some changes in the composition of the Board of Commissioners. Herman L. Djuni's tenure as a Commissioner expired on June 22nd, 2015. He was appointed as Commissioner of PT Bio Farma in accordance with the SOE Ministerial Decree as General Meeting of Shareholders of PT Bio Farma (Persero) No. 153/MBU/2011 dated June 27th, 2011. The Company expresses its utmost gratitude for his service and dedication during his tenure as Commissioner. His replacement, Mohamad Subuh, is appointed as a Member of the Board of Commissioners in accordance with the SOE Ministerial Decree as General Meeting of Shareholders of PT Bio Farma (Persero) No. SK-97/MBU/06/2015 dated June 22nd, 2015.

As of December 31st, 2015, the Bio Farma's Board of Commissioners consists of 6 (six) members, one (1) President Commissioner and 5 (five) Commissioners, as follows:

NAME	POSITION	DATE OF FIRST SERVED / END OF TERM	Basis of Appointment / Dismissal
Ahmad M. Ramli	President Commissioner	23 January 2014	SOE Ministerial Decree No: SK-17/MBU/2014 dated 23 January 2014
Paruli Lubis	Commissioner	5 November 2012	SOE Ministerial Decree No: 392/MBU/2012 dated 5 November 2012
Herman L. Djuni	Commissioner	27 June 2011	SOE Ministerial Decree No: 153/MBU/2011 dated 27 June 2011
		Period ended on 22 June 2015	SOE Ministerial Decree No: 97/MBU/06/2015 dated 27 June 2015
Nizar Yamani	Commissioner	28 May 2012	Decision other than GMS No. 204/MBU/2012 dated 28 May 2012 Jo Kep Men BUMN Nomor: SK-81/MBU/2013 tanggal 4 Februari 2013
Ihsan Setiadi Latief	Commissioner	1 May 2013	Decision other than GMS No. 204/MBU/2012 dated 28 May 2012 Jo
Heridadi	Commissioner	23 January 2014	SOE Ministerial Decree No: SK-17/MBU/2014 dated 23 January 2014
H.M. Subuh	Commissioner	22 June 2015	SOE Ministerial Decree No: SK-97/ MBU/06/2015 Dated 22 June 2015

A summary profile of each member of the Board of Commissioners can be seen in the Company Data section in this Annual Report.

DESCRIPTION OF THE BOAR D OF COMMISSIONERS ' RESPONSIBILITY

Duties, Authorities, and Responsibilities of the Board of Commissioners

Duties of the Board of Commissioners Duties, authorities, and responsibilities of the board of commissioners as stipulated in the Joint Decision of the Board of Commissioners and Directors of PT Bio Farma (Persero) No. KEP-06 / DK / BF / II / 2013, No. 01025 / DIR / II / 2013 on Guidelines the Board of Commissioners and Directors (Board Manual) PT Bio Farma (Persero).

DUTIES OF THE BOARD OF COMMISSIONERS

1. The Board of Commissioners is obliged to supervise management policies, general operations in terms of the Company and corporate actions taken by the Board of Directors, and to provide recommendations to the Board of Directors including the supervision of implementation of the Long-Term Corporate Plan (RJPP), the Company's Work Plan and Budget (RKAP), the Articles of Association, GMS resolutions and the applicable laws and regulations, for Company benefit and in accordance with the Company's purposes and objectives.
2. In carrying out these duties, each member of the Board of Commissioners must:
   a. Comply with the Articles of Association and the laws and regulations in performing its roles according to principles of professionalism, efficiency, transparency, independence, accountability, responsibility and fairness.
   b. Act with good faith, prudence and responsibility in carrying out the supervision of management policies and in providing recommendations to the Board of Directors for the interest of the Company, in line with the Company's goals and purposes.

Authorities of the Board of Commissioners

1. In carrying out its duties, the Board of Commissioners is authorized to:
   a. Examine books, letters and other documents, inspect cash for verification purposes and other marketable securities and check the Company's assets;
   b. Enter the grounds, buildings and offices used by the Company;
   c. Request explanation from the Board of Directors and/or other officers concerning any matters related to the Company's management;
   d. Be informed of all policies and actions that have been and will be done by the Board of Directors;
   e. Request the Board of Directors and/or other officers under the Board of Directors as acknowledged by the Board of Directors to attend Board of Commissioners meetings;
   f. Appoint and terminate Secretary of the Board of Commissioners, if deemed necessary;
   g. Temporarily terminate the Board of Directors in accordance with the Articles of Association;
   h. Form other committees other than Audit Committee, if deemed necessary with consideration of the Company's capability;
   i. Use expert staff for particular matters and in a certain period at the Company's expense, if deemed necessary;
   j. Perform management actions in certain circumstances for a certain period in accordance with the Articles of Association;
   k. Attend the Board of Directors' meetings and provide insights on discussed matters;
   l. Perform other supervisory authorities as long as not contrary to the laws and regulations, the Articles of Association and/or the GMS resolutions.
2. The Board of Commissioners is authorized to approve or not approve in writing the Board of Directors' plans in terms of:
   a. Placing fixed assets as collaterals with banks to obtain short-term loans.
   b. Entering into a cooperation with other business entities or parties in the form of licensing cooperation, management contract, lease of assets, Joint Operation (KSO), Build Operate Transfer/BOT, Build Own Transfer/ BOwT, Build Transfer Operate/BTO and other cooperation arrangements with the following conditions:
      1. Lease of assets.
         The Board of Directors must obtain written consent of the Board of Commissioners to lease Company assets with period of more than three (3) years to 5 (five) years with rent/ transaction value of more than 1% to 2.5% of revenue, or more than 2% to 5% of equity, whichever is smaller. 2. Build Operate Transfer (BOT), Build Own Transfer (BowT), Build Transfer Operate (BTO).
3. The Board of Directors must obtain written consent of the Board of Commissioners to conduct Build Operate Transfer (BOT), Build Own Transfer (BowT), Build Operate Transfer (BTO) with period of more than 10 (ten) years to 20 (twenty) years of the Company asset value of more than 6% to 12.5% of revenue, or more than 6.5% to 13% of equity, whichever is smaller.

4. Management Contract and Other Cooperation. The Board of Directors must obtain written consent of the Board of Commissioners to enter into a management contract and other cooperations with period of more than 10 (ten) years with value of investment (the Company's cooperated asset) more than 2.5% to 5% of revenue, or more than 5% to 10% of equity, whichever is smaller.
5. Implementation of the aforementioned actions on numbers 1), 2), 3) and 4), must be accompanied with Integrity Pact containing statement of the Board of Directors and/or Board of Commissioners that implementation of actions has been considered carefully and in good faith, without influence from other parties, without conflict of interest, and with full caution to the best interests of the Company with regard to the applicable regulations and the Good Corporate Governance (GCG) principles.
   a. Obtain or grant medium/long term loans, except for payables or receivables arising from business transactions and loan granted to a Company subsidiary, which have to be reported to the Board of Commissioners;
   b. Eliminate uncollectible receivables and obsolete inventory;
   c. Dispose of fixed assets with normal economic age in industry up to 5 (five) years.
   d. Establish organization structure of 1 (one) level below the Board of Directors.
   e. Appoint and dismiss the Head of the Internal Audit Unit.
   f. Appoint and dismiss the Corporate Secretary.
6. Within the period of 30 (thirty) days from the admission of the application or explanation and complete documentation from the Board of Directors, the Board of Commissioners must make a decision on the Board of Directors' application, as stipulated in point (2) above.

Responsibility of The Board of Commissioners

Obligations of the Board of Commissioners In performing its duties, the Board of Commissioners is obliged, among others, to:

1. Provide advice to the Board of Directors in managing the Company.
2. Examine, review and approve Long Term Corporate Plan (RJPP) and Corporate Work Plan and Budget (RKAP) prepared by the Board of Directors, in accordance with the Company's Articles of Association.
3. Provide opinion and advice to the GMS pertaining to RJPP and RKAP regarding explanation on Board of Commissioner's approval for RJPP and RKAP.
4. Keep track of the Company's activities, provide opinion and recommendation to the GMS on every important matter in Company management.
5. Immediately report to the GMS for any indication of the Company's declining performance.
6. Examine and review periodic reports and Annual Report prepared by the Board of Directors and approve Annual Report.
7. Provide explanation, opinion and recommendation to the GMS regarding Annual Report, if requested.
8. Prepare annual work plan and budget of the Board of Commissioners, which is an integral part of RKAP.
9. Establish Audit Committee
10. Nominate public accountant to the GMS
11. Prepare minutes of Board of Commissioners meetings and keep a copy.
12. Report to the Company regarding share ownership of members of the Board of Commissioners and/or their families in the Company or in other companies.
13. Submit report on supervisory roles performed for current/previous years to the GMS.

14. Other obligations in a supervisory and advisory context, as long as not in violation of laws and regulations, the Articles of Association and/or the GMS resolutions.
15. Monitor and ensure that the GCG is implemented effectively and continuously.
16. Propose Key Performance Indicators (KPIs) of the Board of Commissioners to the GMS, and
17. Submit Quarterly Report on progress of Key Performance Indicators (KPI) realization to Shareholders.

THE BOARD OF COMMISSIONERS' OBLIGATION RELATED TO LONG-TERM PLANNING

The Board of Commissioners examines and provides opinion to the RJP prepared by the Board of Directors prior to signing it together with the the Board of Directors.

THE BOARD OF COMMISSIONERS' OBLIGATION RELATED TO THE WORK PLAN AND BUDGET FORMULATION

a. The Board of Commissioners examines and provides opinion to the RKAP prepared by the Board of Directors prior to signing it together with the the Board of Directors.
b. The Board of Commissioners provides a guidance to the the Board of Directors for the implementation of the Company's plans and policies in the RKAP that are the detailed version of the RJP.

THE BOARD OF COMMISSIONERS' OBLIGATION RELATED TO THE ANNUAL REPORT PREPARATION

a. The Board of Commissioners examines the Annual Report draft and the audited financial statements from the Public Accounting Firm.
b. The Board of Directors and the Board of Commissioners sign the Annual Report to be subsequently submitted by the Board of Directors to the Shareholders.

RISK MANAGEMENT IMPLEMENTATION

The Board of Commissioners is obliged to supervise and provide advice to the the Board of Directors on a regular basis regarding the effectiveness of risk management implementation.

INTERNAL CONTROL SYSTEM

The Board of Commissioners is obliged to supervise and provide advice to the the Board of Directors on a regular basis to determine an effective internal control system.

INFORMATION DISCLOSURE & CONFIDENTIALITY

a. The Board of Commissioners must ensure that in the Company's Annual Report the information regarding their identity, main jobs, position as Commissioner in other companies, as well as the meetings held in one fiscal year (internal and joint meetings with the the Board of Directors) and the honorarium, facilities and/or other allowances received from the Company, be disclosed.
b. The Board of Commissioners is obliged to the Company regarding their ownership of shares and/ or their family's ownership of shares in the Company and other companies, including every change thereof.
c. The Board of Commissioners is responsible to the Company to maintain the confidentiality of the Company's information.
d. Information that based on the rules and regulations and/or corporate regulations is deemed confidential related to the Company must be kept confidential in accordance with the rules and regulations and/or corporate regulations.

Quorum for The Board of Commissioners Meetings

A member of the Board of Commissioners can be represented in the Board of Commissioners meeting only by another member of the the Board of Commissioners that is present in the selfsame the Board of Commissioners meeting, based on a written power of attorney that is specific only for the purpose of that the Board of Commissioners meeting. A member of the Board of Commissioners can represent one other member of the Board of Commissioners

Distribution of Duties of The Board of Commissioners

The distribution of duties among members of the Board of Commissioners is determined by the Board of Commissioners itself, and to ensure the smoothness of its duties the Board of Commissioners is assisted by a Secretary to the Board of Commissioners appointed and dismissed by the Board of Commissioners at the Company's expense.

In performing the supervisory and advisory functions, the Board of Commissioners has distributed its duties among its members, in accordance with the Decree of The Board of Commissioners of PT Bio Farma (Persero) No. KEP-04/ DK/BF/II/2014 dated 19 February 2014, as follows:

NO.	NAME	AREA OF ASSIGNMENT	DETAIL OF ASSIGNMENT
1.	Ahmad M. Ramli	President Commissioner	• Coordinating the duties of the members of the Board of Commissioners. • Supervising and advising the the Board of Directors in performing the latter's duties including its compliance to the provisions of the Articles of Association, and the prevailing rules and regulations.
2.	Paruli Lubis	In Charge of Finance	• Supervising and providing advice on all aspects related to the procedures and processes of work planning and budgeting, long-term planning, financial responsibility and preparation of reports that include the quarterly management reports by considering all the prevailing reporting standards. • Acting as the Chairman of the Audit Committee with the list of duties as stipulated in the Audit Committee Charter.
3.	Herman L. Djuni	In Charge of Marketing and Information Technology	• Supervising and providing advice on all aspects related to the domestic and overseas sales and marketing as well as supervising the preparation and implementation of IT Master plan. • Acting as the Vice Chairman of the Audit Committee with the list of duties as stipulated in the Audit Committee Charter.
4.	Heridadi	In Charge of Research and Development	• Supervising and providing advice on all aspects related to research and development of vaccines and antisera. • Acting as Vice Chairman of the Risk, Development and GCG Committee with the list of duties as stipulated in the Risk, Development and GCG Committee Charter.
5.	Nizar Yamani	In Charge of Production	• Supervising and providing advice on all aspects related to production activities, involving processes such as production capacity increase, availability of end products, works-in-progress, raw materials, and control of expired inventory. • Acting as the First Vice Chairman of the Risk, Development and GCG Committee with the list of duties as stipulated in the Risk, Development and GCG Committee Charter
6.	Ihsan S. Latief	In Charge of HR	• Supervising and providing advice on all aspects related to all labor-related system and procedures, starting from recruitment, disciplinary actions, remuneration and incentives, employee training, and the Company's organizational. • Acting as Second Vice Chairman of the Risk, Development and GCG Committee with the list of duties as stipulated in the Risk, Development and GCG Committee Charter.

Distribution of Duties of the Board of Commissioners in accordance with the Decree of The Board of Commissioners of PT Bio Farma (Persero) No. KEP-02/DK/BF/VII/2015 dated 9 July 2015 as follows:

NO.	NAME	AREA OF ASSIGNMENT	DETAIL OF ASSIGNMENT
1.	Ahmad M. Ramli	President Commissioner	• Coordinating the duties of the members of the Board of Commissioners. • Supervising and advising the the Board of Directors in performing the latter's duties including its compliance to the provisions of the Articles of Association, and the prevailing rules and regulations.
2.	Paruli Lubis	In Charge of Finance	• Supervising and providing advice on all aspects related to the procedures and processes of work planning and budgeting, long-term planning, financial responsibility and preparation of reports that include the quarterly management reports by considering all the prevailing reporting standards. • Acting as the Chairman of the Audit Committee with the list of duties as stipulated in the Audit Committee Charter.
3.	Ihsan S. Latief	In Charge of Marketing and Information Technology	• Supervising and providing advice on all aspects related to the domestic and overseas sales and marketing as well as supervising the preparation and implementation of IT Masterplan. • Acting as the Vice Chairman of the Audit Committee with the list of duties as stipulated in the Audit Committee Charter.
4.	Heridadi	In Charge of Research and Development	• Supervising and providing advice on all aspects related to research and development of vaccines and antisera. • Acting as Vice Chairman of the Risk, Development and GCG Committee with the list of duties as stipulated in the Risk, Development and GCG Committee Charter.
5.	Nizar Yamanie	In Charge of Production	• Supervising and providing advice on all aspects related to production activities, involving processes such as production capacity increase, availability of end products, works-in-progress, raw materials, and control of expired inventory. • Acting as the First Vice Chairman of the Risk, Development and GCG Committee with the list of duties as stipulated in the Risk, Development and GCG Committee Charter
6.	H.M. Subuh	In Charge of HR	• Supervising and providing advice on all aspects related to all labor-related system and procedures, starting from recruitment, disciplinary actions, remuneration and incentives, employee training, and the Company's organizational. • Acting as Second Vice Chairman of the Risk, Development and GCG Committee with the list of duties as stipulated in the Risk, Development and GCG Committee Charter.

Duties, Authorities, and Responsibilities Discharged by the Board of Commissioners in 2015

In 2015, the Board of Commissioners of Bio Farma has discharged the following duties and responsibilities in accordance with Bylaws of the Company, as follows:

1. Supervise and provide advice on:
   a. Implementation of the 2015 RKAP and the RJPP.
   b. Strategic issues for the Company, such as WHO PQ, Vaccine Development Project, etc.
   c. Compliance with relevant laws and regulations.
   d. Application of GCG principles, ISO, cGMP and others.
   e. Implementation of Enterprise Risk Management (ERM).
2. Make a decision or approve or respond to:
   a. Provide opinions/responses/suggestions to Shareholders on routine Management Reports, Annual Report, and Suggestions on PACB and LTCP;
   b. Placing fixed assets as collaterals with banks to obtain short-term loans.
   c. Enter licensing cooperation, management contracts, lease of assets, Joint Operation (KSO), and other cooperation arrangements whose values and durations are established by the Minister.

d. Obtain or grant medium/long term loans, except for payables or receivables arising from business transactions and loan granted to a Company subsidiary, which have to be reported to the Board of Commissioners.
e. Dispose of fixed assets with normal economic age in industry up to 5 (five) years.
f. Writing off of bad credits and dead stock.
g. Establish organization structure up to 1 (one) level under the Directors.
h. Appoint a Public Accounting Firm (PAF);
i. Propose Directors' Remunerations.

3. Review the Company's monthly performance analysis and discuss its current developments in the Board of Commissioners' routine internal meetings.
4. Review the Company's monthly performance analysis and discuss its current developments in joint meetings with the Directors including dispensing advice/suggestions to them.
5. Draft and submit Annual Work Programme and Budget Plan of the Board of Commissioners.
6. Draft and submit Supervisory Duty Report;
7. Supervise the follow-up on decisions/directives of shareholders and results/findings of internal and external audits.
8. Conduct business trips and field monitoring.
9. Conduct competence and knowledge enhancement activities.
10. Conduct other activities unexpected and urgent in nature.

The supervisory duties of the Board of Commissioners in 2015 are as follows:

a. Land Procurement Plan.
b. Land Lease Development in Jasinga
c. Studies & Action Plan of Land in Jasinga.
d. GCG Self-assessment of PT Bio Farma (Persero).
e. GCG Assessment for 2015.
f. LMP and PCD Activity Reports of the 2014 Financial Year.
g. LMP and PCD Activity Reports of the 2015 Financial Year.
h. Proposed PACB for 2016.
i. Writing-off Fixed Assets.
j. Extension of Working Capital Withdrawal.
k. Organizational Hierarchy Changes in PT Bio Farma (Persero) for 2015.
l. Follow-up on WHA IPV Products.
m. IPV Progress
n. Company Development.
o. Plans to Establish Subsidiaries.
p. Progress on Law on Guarantee of Halal Products.

The Board of Commissioners provided a number of directives, advice and approval on the survival/growth of the Company's business. The details for the directives given by the Board of Commissioners in 2015 include:

1. Considering the significant growth of company expenses in contrast to growth of sales. To that end, the Directors are advised to implement more efficient and effective cost policies since such policies are stipulated in the shareholder's aspiration and part of the Board of Commissioners' supervisory purview. An additional item to consider is the significant increase in the number of business trips on Sales, Administration, and General Expenses.
2. Business trips, both domestic and international, must consider its effectiveness, efficiency, selectivity, and appropriateness. Trips must also be in interests of the company's growth since they are not paid-for allowances or facilities. As such, business trips must correspond to the company's needs. The number of personnel in business trips must be limited correspondingly with their aims and risk considerations.
3. Improve Claim and Supply controls to improve efficiency. Improved controls will result to a reduction in Claims Turnovers and, in turn, reduce performance achievements.

4. Conduct analysis on per sector investment realizations. The realisations are part of planned implementation processes, including strategies and mitigations on every aspect planned by the company. The realization of such investments determines the company's planning quality.
5. Since research and development and product innovations are part of the company's mission, analyses on causes of why such targets are not achieved according to the 2015 PACB and how it affects future operations and continuity of the company should be conducted.
6. Implement better planning strategies for future investments to ensure the continuity of current sound investments. Increased company expenses are caused by increased company activities, which reflects unsound planning. In essence, management activities in the on-going year are based on plans jointly agreed with shareholders, thus unexpected realisations indicate unsound planning processes.
7. Improve GCG elements into investment executions and augmented with comprehensive risk management studies and plans to mitigate risks from such investments, be it routine, developmental, or others.
8. Carry out closely monitored tactical steps to cope with hindrances in planning, budgeting, and executing investments. Investments are crucial in determining the long-term sustainability and growth of the company. Delays in planned investments will result in delays in the company's future business developments.
9. The allocation of Community Development (CD) funds should prioritise CD programmes/activities which are more consistent with the company's core businesses. Claims on bad credit from Partnership Programmes should be done continuously.
10. Strengthen Good Corporate Governance/GCG implementation, improve administration procedures to ensure its consistent implementation, compliance with prevailing regulations, and prevention of legal violations by adhering to GCG guidelines stipulated in SOE Ministerial Regulation No. PER-01/MBU/2012 jo PER-16/MBU/2012.
11. Follow-up on Auditor recommendations stated in the Regulatory Compliance and Internal Controls Audit Report 2015, follow-up all findings by external auditors (BPK, FDSB, Public Accounting Firm, and Company Internal Auditors (IOU)), and carry out rectifications through a series of measures as permitted by current procedures.
12. Company performance realization score in 2015 is 88.50, placing it as "healthy" with an "AA" rating. Thus, the KPI score for 2015 is 145.84 from a maximum of 100. In addition, there are two criteria which exceeded their targets, namely Finance & Market and Product and Process Effectiveness. Future achievements must surpass current records.
13. Performance achievements in 2015 should be the basis and learning process to improve future performance. This should be coupled with dedication, resource optimisation, growth opportunity improvements via constructive monitoring, and improving employee morale to ever increase productivity and efficiency in the interests of the company.
14. Land in Jasinga should be procured in accordance with current legal procedures and free from corruption, collusion, and nepotism.

In accordance with its authority as stipulated in the Articles of Association of PT Bio Farma (Persero), the Board has given approval/recommendation for, among others:

1. Approval of the write-off and transfer of nonproductive fixed assets of PT Bio Farma (Persero) dated 23 February 2015.
2. Approval of the extension of the Export Working Capital Loan (WECL) from Indonesia Eximbank for 2015/2016.
3. Approval of the write-off and transfer of nonproductive fixed assets of PT Bio Farma (Persero) dated 15 Juny 2015
4. Approval of the extension of the appointment of the public accounting firm to audit the Financial Statements for FY2014.
5. Approval of the remuneration system of the Board of Directors in accordance with the resolution of the GMS.
6. Approval of changes in the organizational structure of the Company on the level below the Board of Directors.
7. Approval of the increase in subscribed and fully paid capital by the Republic of Indonesia.

The Board of Commissioners' 2015 Work Plans

Supervise and provide advice on:

1. Implementation of the 2015 RKAP and the RJPP.
2. Strategic issues for the Company, such as WHO PQ, Vaccine Development Project, etc.
3. Compliance with relevant laws and regulations.
4. Application of GCG principles, ISO, cGMP and others.
5. Implementation of Enterprise Risk Management (ERM).

Make a decision or approve or respond to:

1. RKAP and RKA PKBL Reports 2. Quarterly/ Semesterly/Annual Management Reports.
3. Appointment of the Public Accounting Firm.
4. Approval of Assets Write-offs.
5. Remuneration for the Board of Directors.
6. The Board of Commissioners' approval of the Company's management in line with the budget of the Company.

INFORMATION DISCLOSURE CONCERNING THE PROCEDURES FOR DETERMINING REMUNERATION

Basis for Determining Remuneration

The determination of remuneration for the Board of Directors and Board of Commissioners of Bio Farma, which includes salary/honorarium, allowances, facilities, and bonuses/incentives, is under the authority of the Board of Commissioners and is stipulated in the Decree of the Board of Commissioners of PT Bio Farma (Persero) No. KEP-05/DK/ BF/08/2014 on 7 August 2015 on the Determination of Remuneration for the Board of Directors and Board of Commissioners of PT Bio Farma (Persero) in 2015, Such remuneration has been formulated by referring to the Regulation of the Minister of State-Owned Enterprises No. PER-04/MBU/2014 dated 10 March 2014 on the Guidelines for Determining the Remuneration for Board of Directors, Board of Commissioners, and Supervisory Board of State Owned Enterprises.

The procedures for determining remuneration for the Board of Commissioners and the Board of Directors

1. The GMS determines the Board of Directors and the Board of Commissioners remuneration based on the PER-04/MBU/2014.
2. The remuneration for the President Director is formulated based on the internal guidelines set by the Minister as a reference for the calculation of remuneration for the Board of Commissioners and its members.
3. Salaries/honorariums, allowances, and facilities for Directors and Board of Commissioners for 2015, including tantiem for company performance in the 2014 Financial Year, shall be established in accordance with the Resolutions of Shareholders as General Meeting of Shareholders of PT Bio Farma (Persero) as recorded in the Minutes of the General Meeting of Shareholders No. RIS-02/ RUPS/BF/V/2015 dated 13 May 2015 on Approval of Financial Statement Report and Partnership and Community Development Programme (PCDP) Report of PT Bio Farma (Persero) of the 2014 Financial Year.

4. Based on the approval and the resolution of the Annual GMS of PT Bio Farma (Persero) for FY2014, the bonus for the President Commissioner was set at 45% of the bonus for the President Director, while the bonus for other members of the Board of Commissioners was set at 40,5% of the bonus for the President Director.

Indicators used for determining the remuneration of the Board of Commissioners:

1. Remuneration in the form of salary/honorarium, allowances and facilities that are fixed is calculated by considering the factors of income, assets, financial condition and capability of the Company, inflation rate, and other relevant factors, and must not conflict with the prevailing laws and regulations.
2. The determination of remuneration in the form of allowances and bonuses which are variable by nature, was carried out by taking into account the achievement of targets, the level of soundness and financial capacity of the Company, as well as other relevant factors.
3. The remuneration for the Board of Commissioners took into consideration the achievement of Key Performance Indicators (KPIs) of the Board of Commissioners for its supervision of the Company in 2015.

REMUNERATION STRUCTURE AND NUMBER OF MEMBERS OF THE BOARD OF COMMISSIONERS IN 2015

In accordance with the approval of the annual report and financial statements for FY2014 by the GMS as stipulated in the Minutes of GMS No. RIS-02/RUPS/BF/V/2015 dated 13 May 2015, the salary for the President Director for 2015 amounted to Rp 80 million per month, while the salary for the Directors was set at 90% of the salary for the President Director.

The remuneration for the Board of Commissioners of Bio Farma, in accordance with policy of remuneration for the Board of Commissioners, include salary/honorarium, allowances, facilities and bonuses/incentives. The remuneration for the Board of Commissioners in accordance with the GMS resolution is as follows:

1. Honorarium.
   a. Honorarium for the President Commissioner was determined to be 45% of the salary for the position President Director.
   b. The honorarium for the members of the commissioners was determined to be 90% of the President Commissioner's honorarium.
2. Allowances
   a. Holiday allowance was set to be 1 (one) time monthly honorarium
   b. Transport allowance was set to be 20% of honorarium
   c. Post-Employment Insurance: a maximum premium of 25% of the honorarium in one year
3. Facilities
   a. Health: health facilities are provided in the form of health insurance or reimbursement of medical expenses, with the details outlined in the Regulation of the Minister of State-Owned Enterprises No. PER-04/MBU/2014 on the Guidelines for Determining the Remuneration for the Board of Directors and the Board of Commissioners of State-Owned Enterprises.
   b. Legal Assistance facilities are outlined in the Minister of State-Owned Enterprises No. PER-04/MBU/2014 on the Guidelines for Determining the Remuneration for the Board of Directors and the Board of Commissioners of State-Owned Enterprises.
4. Performance Bonus/Incentive Performance bonus/incentive was based on performance in FY2014.

Remuneration for the Board of Commissioners is detailed as follows:

BOC's Remuneration in 2015

IN RUPIAH

NAME	HONORARIUM PER YEAR 1	ALLOWANCE PER YEAR 2	NET SALARY PER YEAR 3 = 1 + 2	TANTIEM & RELIGIOUS HOLIDAY ALLOWANCE 4	TOTAL 5 = 3 + 4
Ahmad M. Ramli*	411,750,000,00	82,350,000,00	494,100,000,00	813,498,433,00	1,307,598,433,00
Nizar Yamanie**	370,575,000,00	74,115,000,00	444,690,000,00	732,148,589,00	1,176,838,589,00
Paruli Lubis***	370,575,000,00	74,115,000,00	444,690,000,00	732,148,589,00	1,176,838,589,00
Herman L. Djuni	176,175,000,00	35,235,000,00	211,410,000,00	732,148,589,00	943,558,589,00
Ihsan Setiadi Latief****	370,575,000,00	74,115,000,00	444,690,000,00	732,148,589,00	1,176,838,589,00
Heridadi*****	370,575,000,00	74,115,000,00	444,690,000,00	689,971,962,00	1,134,661,962,00
Mohamad Subuh******	194,400,000,00	38,880,000,00	233,280,000,00	-	233,280,000,00
Total	**2,264,625,000,00**	**452,925,000,00**	**2,717,550,000,00**	**4,432,064,751,00**	**7,149,614,751,00**

Honorarium, Allowances and Facilities of BOC

HONORARIUM	ALLOWANCES	FACILITIES
Komisaris Utama Rp 411.740.000,- Komisaris Rp 370.575.000,-	Holiday Allowance: 1 (one) month Honorarium. • Pension benefit insurance: up to 25% of honorarium/year • Transports allowances for the President Commissioner Rp 82,350,000; whereas for BOC members Rp 74,115,000 Housing Allowance in accordance with PER-04/MBU/2014, the BOC must occupy the office house if provided by the Company until the end of his/her term and Housing Allowance is stopped.	Health Facility: • insurance or reimbursement of medical expenses, with the details outlined in the Regulation of the Minister of State-Owned Enterprises No. PER-04/MBU/2014 on the Guidelines for Determining the Remuneration for the Board of Directors and the Board of • Legal Assistance facilities are outlined in the Minister of State-Owned Enterprises No. PER-04/MBU/2014 on the Guidelines for Determining the Remuneration for the Board of Directors and the Board of Commissioners of State-Owned Enterprises. • Transport facility is given to each member of BOC one unit of Toyota Camry with the maximum 3,500 cc engine.

*Service period commenced February 2013, ** Service period commenced May 2013, *** Service period commenced January 2014, **** Service period commenced June 2015, ***** Service period ended 22 June 2015

Meetings of the Board of Commissioners

Meetings of the Board of Commissioners as stipulated in the Joint Decree of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-06/DK/BF/II/2013, and No. 01025/DIR/II/2013 on the Guidelines for the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) (Board Manual).

Meeting Basis, Time and Venue

1. The Board of Commissioners meeting is held regularly, at least once a month.
2. In addition to the scheduled meetings, the Board of Commissioners may also hold a meeting at any other time by stating the issues to be discussed and/or for which a decision shall be made:
   a. At the request of 1 (one) or more members of the Board of Commissioners.
   b. At the request of the Board of Directors.
   c. At the written request of the Shareholders.
3. The Board of Commissioners meetings are held at the Company or elsewhere within the territory of the Republic of Indonesia as determined by the Board of Commissioners.

Participant of Meeting Board Commissioner

The Board of Commissioners meetings are attended by all members of the Board of Commissioners.

If the Board of Commissioners deems it necessary, other parties may attend the Board of Commissioners meetings to provide certain explanations that are deemed necessary.

The Board of Commissioners Meeting Agenda

1. The Board of Commissioners who propose the meeting of the Board of Commissioners must specify the event and prepare the materials/files needed to be discussed in the meeting of the Board of Commissioners.
2. The agenda for the meeting of the Board of Commissioners may be submitted orally or in writing in the form of memo, letter or others, accompanied by the materials/files needed for the meeting of the Board of Commissioners.

The Board of Commissioners Meeting Invitation

1. Meeting invitations is made in writing by the President Commissioner or by the members of the Board of Commissioners representing the President Commissioner and is delivered within at most 3 (three) days before the meeting is held or in a shorter time should it be required to immediately hold a meeting, with no regard to the date of the summons and the meeting date.
2. Invitation to the meeting of the Board of Commissioners should include the date, time, place and agenda of the meeting of the Board of Commissioners.
3. Invitation to the meeting of the Board of Commissioners is not required if all the members of the Board of Commissioners are in attendance.

Quorum of the Board of Commissioners Meetings

1. The Board of Commissioners meeting is deemed legitimate and may take binding decisions if it is attended by more than half of the total members of the Board of Commissioners or their authorized representatives.
2. The meeting of the Board of Commissioners should by norm be attended by all members of the Board of Commissioners.
3. Any member of the Board of Commissioners may be represented in a Board of Commissioners meeting only by another member of the Board of Commissioners who attends the said meeting of the Board of Commissioners, based on a written power of attorney specifically written for the purpose of the said meeting of the Board of Commissioners.
4. A member of the Board of Commissioners may represent another member of the Board of Commissioners.

Board of Commissioners Meetings Chairman

1. The meetings of the Board of Commissioners is chaired by the President Commissioner.
2. In the event that the President Commissioner is absent, the Board of Commissioners meeting shall be chaired by a member of the Board of Commissioners that has been appointed in writing by the President Commissioner.
3. In the event that the President Commissioner is absent and the President Commissioner has not appointed a replacement, then a member of the Board of Commissioners who has served the longest in office as a member of the Board of Commissioners shall chair the Board of Commissioners meeting.
4. In the case that there are more than one member of the Board of Commissioners with the longest serving period as a member of the Board of Commissioners, then the oldest member of the Board of Commissioners of these longest-serving Commissioners shall chair the Board of Commissioners meeting.

Minutes of Meeting of the Board of Commissioners

1. For each meeting of the Board of Commissioners, the Minutes of Meeting should be made.
2. The Minutes of Meeting of the Board of Commissioners shall include:
   a. Reason for absence of members of the Board of Commissioners, should there be anyone not present;
   b. The results of the evaluation of the implementation of all the decisions made in the previous meeting of the Board of Commissioners;
   c. The dynamics of the decision-making process at the meeting of the Board of Commissioners, including the opinions that are formed in the meeting, both arguments in favor or against, or a different opinion (dissenting opinion) if any;
   d. Consideration and/or analysis in the decision-making at the meeting of the Board of Commissioners;
   e. Issues that are decided at the meeting of the Board of Commissioners.

3. The Minutes of Meeting of the Board of Commissioners document is signed by the chairman of the meeting, all members of the Board of Commissioners who are present at the meeting, and the secretary.
4. The Minutes of Meeting of the Board of Commissioners document is reproduced and circulated to all members of the Board of Commissioners, both those who are present or not present in the meeting of the Board of Commissioners.
5. The original document for the meeting of the Board of Commissioners is stored and maintained by the Board of Directors. The Board of Directors may assign this duty to the Corporate Secretary. A copy of the Minutes of Meeting of the Board of Commissioners is stored and maintained by the Secretary to the Board of Commissioners.

Secretary of the Board of Commissioners Meetings

1. The secretary of the Board of Commissioners meetings is the Secretary to the Board of Commissioners.
2. In the event that the Secretary to the Board of Commissioners is absent or unavailable, then an attending member of the Board of Commissioners or another person appointed by the chairman of the Board of Commissioners meeting may act as the Secretary of the Board of Commissioners meeting.

Frequency of Meetings and Attendance of the Commissioners at the Meetings of the Board of Commissioners

Frequency of the Board of Commissioners

Throughout 2014, the Board of Commissioners conducted 15 internal meetings of the Board of Commissioners, and 10 supervisory and consultative meetings with the Board of Directors (joint meetings) to discuss various aspects of the operations and management of the Company. The list of members of the Board of Commissioners who were present in those meetings of the Board of Commissioners and the joint meetings with the Board of Directors in 2014 is provided below:

NAME	POSITION	TOTAL BOARD OF COMMISSIONERS MEETINGS	TOTAL ATTENDANCE
Ahmad Ramli***	President Commissioner	28	27
Paruli Lubis	Commissioner	28	28
Herman L. Djuni*****	Commissioner	28	17
Nizar Yamani*	Commissioner	28	27
Ihsan Setiadi Latief**	Commissioner	28	26
Heridadi***	Commissioner	28	28
Mohamad Subuh****	Commissioner	28	10

*Service period commenced February 2013, ** Service period commenced May 2013, *** Service period commenced January 2014, **** Service period commenced June 2015, ***** Service period ended 22 June 2015

Agendas for the Meetings of the Board of Commissioners in 2015

Throughout 2015, the Board of Commissioners discussed various issues, performance and strategy related to the Company's management, with the following meeting agendas:

NO.	DATE	MEETING POINTS	DECISIONS
1.	9 January 2015	Discussion of Land Acquisition Plans	The Board of Commissioners supports the Board of Directors' plan to acquire land in Jasinga, Bogor, however, it is necessary to bear in mind the directives of the KN Director General so that the Finance Ministry approval process can be accomplished. The DJKN supports PT Bio Farma's plan for asset utilization, however, these assets must continue to be optimally utilized.
2.	6 February 2015	Discussion of GCG Self Assessment Preparation	In preparation for GCG self assessment, discussions will be held with the Board of Directors. Policies do not always take the form of decrees but can also take the form of documentation, however, if required, a decree can be prepared. Decrees related to remuneration, Work Plan and Budget approval and performance assessment are prepared by the Audit Committee, while those related to supervision, regulation compliance and risk management policies are prepared by the Risk Committee in coordination with the Board of Commissioners' Secretary in the case of revised decrees.
3.	23 February 2015	PT Bio Farma 2014 Company Management Report and PKBL Activity Report	Matters submitted to or coming to the attention of the Board of Directors to improve efficiency Include: Studying and finding solutions to the reason for the significant rise in product expiration / damage in 2014, which resulted in increased cost of sales. Striving to accelerate investment realization so that future business development does not face too many obstacles. Striving to ensure that employee cost growth (Including production services) is no higher than operating profit growth, in accordance with the Shareholders' aspirations. Striving to accelerate tax refunds to improve the company's liquidity and efficiency. The Board of Directors will pay attention to the frequency of business travel in accordance with regulations issued by the SOE Ministry.
4.	30 April 2015	Discussion of Board of Commissioners Supervisory Report for Quarter 1/2015	The Board of Commissioners' Supervisory Report and feedback on the 2015 first quarter performance of PT Bio Farma, after discussion, can be delivered promptly to the shareholders. The Board of Commissioners' Secretary was asked to immediately prepare a termination letter for the Board of Commissioners' Secretariat staff based on having insufficient time to assist the secretariat, ensuring however that Ms. Yanti is informed first. Discussions to be held with the KBUMN regarding the ban on dual roles, as stated in SOE Ministerial decree No. PER-02/MBU/2015. The Board of Directors was asked to submit a proposal prior to any overseas business travel containing the reason, objective and benefits of such travel, the party responsible for travel costs, etc.
5.	1 June 2015	Discussion of Request by Board of Directors for Asset Disposal Approval	The Board of Commissioners may grant approval / recommendations to the Board of Directors' written request to write off and or transfer Damaged or Unproductive Fixed Assets, which will be proposed to the shareholders. After the write off, the Board of Directors is requested to submit a written report to the PT Bio Farma (Persero) Board of Commissioners on the results of the write off and or transfer of such assets. The Board of Directors shall complete the documentation supporting asset disposal data for the Shareholders, as stipulated in SOE Ministerial Regulation No. PER-02/MBU/2010 dated 23 July 2010.
6.	17 June 2015	Discussion of Jasinga lease development	Further discussions will take place with the Board of Directors. The Board of Directors is requested to prepare a timeline/action plan for a 3 year lease, time dimension and IPV timeline for Jasinga. BPN practitioners were invited to discuss / confirm the transfer / increase in rights, from right to lease to right of use. A BPKP and KAP Statement declared that the Rp 20.8 billion lease cost was not a loss. Guarantee of this statement requires written documentation from BPKP and KAP to ensure no problems arise in the future. To obtain more detailed Information, after the Board of Directors and Board of Commissioners' Meeting, a discussion was held with Mr. Encep from DJKN.

NO.	DATE	MEETING POINTS	DECISIONS
7.	4 August 2015	Discussion of Board of Directors' Decree on Proposed Amendments to the 2015 Organizational Flow Chart	The PKBL Division proposal was approved in accordance with PER-09/MBU/07/2015 dated 3 July 2015, while the Jasinga Life Science Park Matrix Division proposal is awaiting confirmation from the Board of Directors, with a recommendation that a construction and development team be formed, not necessarily at Division level, although a Job Description is required, as well as compliance with regulations. Before finalization of the Board of Directors' decree concept on the procedure to assess candidates to the Board of Directors, the Board of Commissioner's secretary must study the SOE Ministry's rules on appointing Directors to ensure that the conditions and mechanism do not undermine the authority of the SOE Ministry. The rules shall be studied with regard to the policy to provide a 13th honorarium to the Committee. The vertical Company Management Reports from all the Directors shall be submitted to the Board of Directors and be comprehensive and on time. The Board of Commissioner's Secretary shall make a draft letter to the Board of Directors that basically conveys that the Board of Directors shall submit a monthly performance report; this performance report shall be used as a monitoring tool by the Board of Commissioners and Audit Committee to determine the Company's performance.
8.	14 September 2015	Discussion of Interview Pointers and Completion of Board of Commissioners' GCG Questionnaire	Answers to the questionnaire from each Commissioner should be different because they are not collegial answers, rather are individual answers, however, the interview answers can be collegial and considered joint answers, so we need to agree that all the Board of Commissioners can provide answers / feedback, in particular in relation to their respective duties. Each question in the interview pointers will be discussed so that the answers are collegial. The Board of Directors is required to submit the Jasinga study, as well as the duties and functions of the team formed to manage Jasinga. The study / action plan for the land management with integrated planning. Once the Board of Directors has submitted the Jasinga land study and plans for the purchase of RNI land in Subang, the Board of Directors shall present and discuss this.
9.	12 October 2015	Discussion of the Board of Commissioners' 2016 Work Plan and Budget	Related to employee career development in the company, the Board of Directors was asked about the method to assess employee career development. When the planned activities have been approved, they are expected to be well implemented, and that those that take part convey information to the President Commissioner and copy the Secretary to the Board of Commissioners so that Assignment Letters can be prepared.
10.	28 October 2015	PT Bio Farma (Persero) Quarter III/2015 Company Management Report and PKBL Activity Report	In the coordination meeting, the Board of Directors explained and clarified which targets had not been realized in the third quarter, and the Board of Directors was advised to improve in the following quarter by prioritizing better strategies so that, by the end of the year, targets could be realized according to the budget. Controlling increases to Basic Cost of Sales, Sales Costs and Administration and General Affairs Costs to remain in line with Sales growth, thus ensuring that Operating Income is appropriate to Sales growth. Accelerate preparation of sales invoices and regular vaccine delivery to the Health Ministry before 21 November 2015.
11.	29 October 2015	Discussion of Proposed PT Bio Farma (Persero) 2016 RKAP and RKA PKBL	The Board of Directors was requested to be more serious in efforts to increase sales, and an explanation was required from the Board of Directors regarding efforts to improve efficiency and productivity. It is expected that planned budgeted investment in 2016 can increase sales and accelerate products being researched. The Board of Directors is required to implement innovations to increase sales to the private sector.
12.	3 November 2015	Discussion of PT Bio Farma Employee Forum (FORWAN) Letter No. 003/PRSDM-FORWAN BF/X/2015 dated 5 October 2015	In connection with the Forwan letter to the Board of Directors, an explanation or clarification will be requested, as well as the policy utilized by the Board of Directors in response to the Forwan letter and for this to be submitted in writing. A production development plan and report will be requested from the Board of Directors, In addition to the finance report and planning report. A letter will be submitted to the Board of Directors regarding the use of the Jasinga land to prioritize conversion and requesting a monthly progress report.

TRAINING PROGRAMS IN ORDER TO INCREASE THE COMPETENCE OF THE BOARD OF COMMISSIONERS AND ORIENTATION PROGRAM FOR NEW COMMISSIONERS

Training Programs and Increasing Competence of The Board of Commissioners

In order to improve the competence of the members of the Board of Commissioners so that their professionalism, performance, and self-potential may be enhanced to support their duties as members of the Board of Commissioners, in 2015 members of the Board of Commissioners participated in various training programs, workshops, conferences and seminars as well as the induction program for new commissioners as follows:

NO.	NAME	TOPIC	DATE	ORGANIZER	VENUE
1.	Ahmad M. Ramli	Tax mechanism in relation with the Comany's busniess development	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
2.	Herman L. Djuni	Tax mechanism in relation with the Comany's busniess development	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
3.	Paruli Lubis	Tax mechanism in relation with the Comany's busniess development	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
4.	Heridadi	Tax mechanism in relation with the Comany's busniess development	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
5.	Nizar Yamanie	Tax mechanism in relation with the Comany's busniess development	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
6.	Ahmad M. Ramli	Bisnis Plan and Strategic	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
7.	Herman L. Djuni	Bisnis Plan and Strategic	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
8.	Paruli Lubis	Bisnis Plan and Strategic	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
9.	Heridadi	Bisnis Plan and Strategic	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
10.	Nizar Yamanie	Bisnis Plan and Strategic	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
11.	Ahmad M. Ramli	Revaluation of fixed assets for the purpose of tax and investment related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
12.	Paruli Lubis	Revaluation of fixed assets for the purpose of tax and investment related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
13.	Heridadi	Revaluation of fixed assets for the purpose of tax and investment related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
14.	Nizar Yamanie	Revaluation of fixed assets for the purpose of tax and investment related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
15.	Ihsan Setiadi Latief	Revaluation of fixed assets for the purpose of tax and investment related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
16.	M. Subuh	Revaluation of fixed assets for the purpose of tax and investment related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam

Orientation Program for New Commissioner

In order to develop the competence and introduce the Company to a new Commissioner, Bio Farma maintains an induction program for new Commissioners, which is aimed at providing an overview of the Company, including the general condition of the Company, financial conditions, strategies currently being executed, business activities, long-term plans, as well as the duties and responsibilities of the Board of Directors.

The induction program for new Commissioners was held at Bio Farma on 30 January 2014, titled the Induction Program for New Commissioner of PT Bio Farma (Persero), taking place in Bandung. This induction program for the new Commissioner was prepared by the Corporate Secretary in collaboration with the Human Resources Division and other relevant divisions, and was presented in the form of presentations, handover of annual reports, company profile, company history, Corporate Governance Policy, as well as laws and regulations related to the business processes of Bio Farma.

At the induction program, the new Commissioner agreed to avoid the potential of being involved in the Company's operations, which fall under the authority of the Board of Directors, and to avoid graft and to be committed to implementing good corporate governance as exceptionally as possible. The Board of Commissioners also agreed on the division of duties between the individual Commissioners. The new Commissioner also actively participated in various forums held by the Company, both on a national scale such as the Vaccine Research Forum and on the international scale such as the Developing Countries Vaccine Manufacturer Networks and the Organization of Islamic Cooperation (OIC).

BOARD CHARTER

The Board Manual for the Board of Commissioners was prepared based on the mutual agreement of Board of Directors and Board of Commissioners. The Board Manual was prepared based on the prevailing rules and regulations. The documentation is reviewed periodically. In addition to the Board Manual, the Board of Commissioners also has the Board of Commissioners Charter, as decreed by the President Commissioner with the letter No. SK-06/DK/BF/XII/2011, dated 19 December 2011. The guidelines set out in the Board Manual and Charter among others discuss these aspects:

a. Induction program
b. Training programs
c. Work relationship between the Board of Commissioners and the Board of Directors
d. Duties, authorities and obligations as well as the division of duties of the Board of Commissioners
e. Provisions for the execution of duties of a vacant Commissioner position
f. Obligations of the Board of Commissioners related to the long-term planning
g. Obligations of the Board of Commissioners related the RKAP preparation
h. Obligations of the Board of Commissioners related to the preparation of Annual Report
i. Risk management
j. Internal control systems
k. Disclosure and confidentiality of information
l. Business ethics and anti-corruption
m. Prohibition of acting for personal interest
n. Supporting organs for the Board of Commissioners
o. Meetings of the Board of Commissioners
p. Meetings of the Board of Directors and the Board of Commissioners
q. Meetings of the Committees of the Board of Commissioners with the Counterparts to the Board of Commissioners

INDEPENDENT COMMISSIONERS

Independent Commissioners are an imperative to strengthen the supervisory functions of the Board of Commissioners. The imperative is even more direct since it is almost common practice to find transactions with underlying conflicts of interest overlooking the interests of public shareholders (minority shareholders) and other stakeholders, particularly in a publicly traded Indonesian company.

Criteria of Independent Commissioners

An ideal Independent Commissioner is a member of the Board of Commissioners with no affiliations with the Directors, other members of the Board, and with controlling shareholders. The Commissioner is also free from business or other relations which might impair his independence or actions in the company's interests.

The Law on Limited Liability Companies, in theory, requires commissioners to have an independent attitude and to be able to discharge their duties independently in the interests of the company, without regard to those whose interests might be in conflict with others. Inarguably, Independent Commissioners as defined in the Law on Limited Liability Companies is identical with that of the members of the Board of Commissioners.

Responsibilities of Independent Commissioners

Independent Commissioners are primarily responsible to ensure the implementation of Good Corporate Governance principles in the company and its enforcement by the Board of Commissioners. This is to ensure the effective discharge of the Board's responsibility to supervise and advise the Directors and offer added-value to the company.

Bio Farma has 2 (two) Independent Commissioners, Paruli Lubis and Heridadi, who were appointed by the GMS on 22nd June 2015.

Independent Commissioners have to be proactive in the discharge of their duties to ensure the Board of Commissioners supervises and advises the Directors in following, but not limited, matters:

1. Ensure that the company has effective business strategies, including monitoring schedules, budgets, and overall effectiveness of the strategy.
2. Ensure that the company appoints professional executives and managers.
3. Ensure that the company's information, control, and audit systems are running smoothly.
4. Ensure that the company complies with prevailing regulations and company values in its operations.
5. Ensure that risks and potential crises are identified and well-managed.
6. Ensure the principles and practice of Good Corporate Governance are well complied and well implemented.

Duties of Independent Commissioners

1. Ensures the transparency and openness of the company's financial statements.
2. Just treatment of minority shareholders and other stakeholders.
3. Appropriate and just disclosure of transactions with underlying conflicts of interest.
4. Comply with prevailing regulations and laws.
5. Ensures accountability of the company's organ.

Authorities of Independent Commissioners

1. Independent Commissioners chairs the Audit Committee and Risk, Development, and GCG Committee.
2. Independent Commissioners, tactfully and based on sound considerations, have the right to hold differing views from that of other members of the Board of Commissioners. Such differences must be recorded in the Minutes of Meeting of the Board of Commissioners and materially different views are required to be included in annual reports.

INDEPENDENCE OF THE BOARD OF COMMISSIONERS

AFFILIATIONS AMONG MEMBERS OF THE BOARD OF COMMISSIONERS, BOARD OF COMMISSIONERS WITH DIRECTORS, AND BOARD OF COMMISSIONERS WITH CONTROLLING SHAREHOLDERS

Each member of the BoC of the Company is expected to act with independence without any conflict of interest that might disrupt their ability to carry out their duties properly, and in maintaining the relationship with all parties related to the Company as well as with the Board of Directors.

All members of the BoC of PT Bio Farma (Persero) acts with independence and are free from intervention from any parties.

To ensure the independence in carrying out their duties, the BoC encourages the creation of an objective working environment, where the principle of fairness is upheld at all times amidst various interests without any conflict of interest.

Statement of Independence and Possible Conflicts of Interest

On 31st December 2015, each member of the Board of Commissioners drafted a statement of independence to assert their status of independence and state situations in which the Board of Commissioners has conflicting interests on actions taken throughout last year. Members of the Board of Commissioners are required to advise changes which might affect their independence, including changes in both private and family share ownership in Bio Farma and other companies. The Board Secretary is duty-bound to ensure the practice is conducted in accordance with GCG principles.

In 2015, the members of the Board of Commissioners and Directors do not have conflicting interests in decision-making. In its capacity, the Board of Commissioners is not affiliated with Primary Shareholders or Controlling Shareholders (SOE Ministry). The Statement of Independence is signed by all members of the Board of Commissioners without exceptions.

Statement of Independence by Each Member of the Board of Commissioners

Ahmad M.Ramli Paruli Lubis Herman L.Djuni* Nizar Yamanie Ihsan Setiadi Latief Heridadi H.M.Subuh**	a. Declares neither the Commissioner nor his family hold shares in PT Bio Farma (Persero) or other companies that are listed on the special register of Board of Commissioners share ownership b. Has no familial relationship to the third degree either vertically or horizontally or any relationship arising through marriage with any other member of the Board of Commissioners, Board of Directors, Major Shareholder and/or Controller. c. Conducts none of the following: • Serving as a Director of a State Owned Enterprise, Regionally Owned Enterprise or Private Enterprise that could cause a conflict of interest related to his role with PT Bio Farma (Persero) • Serves on the board of a political party and/or is a candidate or serving legislator and/or candidate or serving regional government head or deputy. • Holds another position that could give rise to conflict of interest related to his role with PT Bio Farma (Persero). d. Avoids conflicts of interest that could influence supervision as a Commissioner of PT Bio Farma (Persero). e. In carrying out operational oversight of the Company during 2015, has acted independently, in particular in the decision making process, including but not limited to the matters listed above.

*Ended service period on 22 June 2015. ** Became a member on 22 June 2015.

DISCLOSURE OF AFFILIATIONS BETWEEN MEMBERS OF THE BOARD OF COMMISSIONER, BOARD OF COMMISSIONERS, AND THE ULTIMATE AND/OR CONTROLLING SHAREHOLDERS OF THE COMPANY

The composition of the BoC has met the requirements of the law. The BoC currently has six members, all of whom are Commissioners representing parties outside of the Shareholders, in order to maintain the independence of the supervision of the BoC and ensure that the check and balance mechanism is carried out. In 2015, no members of the BoC of Bio Farma owned shares of the Company. And in order to minimize any potential conflict of interest, each member of the BoC has made a special list containing the information on their or their family members' share ownership, and submitted it to the Company.

Family and Financial Relationships of the Board of Commissioners

	FAMILY RELATIONSHIP WITH						FINANCIAL RELATIONSHIP WITH					
	BOC		BOD		SHAREHOLDER		BOC		BOD		SHAREHOLDER	
NAME	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
Ahmad M. Ramli		√		√		√		√		√		√
Paruli Lubis		√		√		√		√		√		√
Herman L. Djuni*		√		√		√		√		√		√
H. M. Subuh**		√		√		√		√		√		√
Nizar Yamani		√		√		√		√		√		√
Heridadi		√		√		√		√		√		√
Ihsan Setiadi Latief		√		√		√		√		√		√

Directorship and Share Ownership in Other Companies

NAME	AS MEMBER OF BOC		AS MEMBER OF BOD		AS SHAREHOLDER	
	YES	NO	YES	NO	YES	NO
Ahmad M. Ramli		√		√		√
Paruli Lubis		√		√		√
Herman L. Djuni*		√		√		√
H. M. Subuh**		√		√		√
Nizar Yamani		√		√		√
Heridadi		√		√		√
Ihsan Setiadi Latief		√		√		√

* End of term on 22 June 2015. ** Joined on 22 June 2015.

THE BOARD OF DIRECTORS

The Board of Directors is a company organ that has the authority and full responsibility for managing the Company for the interest of the Company, in accordance with the purposes and objectives of the Company and to represent the Company, both in and outside of the court in line with the provisions in the Articles of Association and the prevailing rules and regulations.

Members of the Board of Directors are appointed and removed through the GMS. Appointment of the Board of Directors is through fit and proper test in accordance with the applicable laws and regulations. All Bio Farma Directors have adequate integrity, competency and reputation.

The Directors may be dismissed from their position due to reaching the end of their term, their resignation, death or removal by the GMS resolution for reasons such as inability to perform their roles properly, violation of applicable laws and regulations or the Company's Articles of Association, or found guilty by the court with a binding legal decision.

COMPOSITION OF THE BOARD OF DIRECTORS

Based on the Decree of the Minister of State-Owned Enterprises No. SK-221/MBU/2013 dated 12 April 2013 and Decree of the Minister of State-Owned Enterprises No. SK-69/MBU/2013 dated 4 February 2013 on the Appointment and Dismissal of Members of the Board of Directors of PT Bio Farma, the composition of the Board of Directors of the Company is determined by the shareholders, to run the Company to achieve its targets in line with its vision and mission.

The Board of Directors is made up of 6 (six) Directors, with the following composition:

NAME	POSITION	DATE OF FIRST SERVED	LEGAL BASIS OF APPOINTMENT
Iskandar	President Director	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013
Juliman	Production Director	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013
Sugeng Raharso	Planning & Development Director	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013
Mahendra Suhardono	Marketing Director	12 April 2013	SOE Ministerial Decree Number: SK-221/MBU/2013
Pramusti Indrascaryo	Finance Director	12 April 2012	SOE Ministerial Decree Number: SK-221/MBU/2013
Andjang Kusumah	HR Director	4 Februari 2013	Company (Persero) PT Bio Farma Shareholders Decree Ouytside of GMS No.: SK-116 / MBU / 2012 dated March 7, 2012 Jo. SOE Ministry Decree Number: SK-69 / MBU / 2013

A summary profile of each Director can be seen in the Company Data section in this Annual Report.

SCOPE OF DUTIES AND RESPONSIBILITIES OF EACH MEMBER OF THE BOARD DIRECTORS

Duties and Responsibilities of the Board of Directors

The Board of Directors is the Company's organ retaining full authorization and responsibility for the Company's operations. The Board of Directors has responsibility to achieve the short-term work plan stated in Corporate Work Plan and Budget (RKAP) and Long Term Corporate Plan (RJPP). The Board of Directors must be able to make decisions effectively, precisely, and quickly and act independently, at the same time be responsible for consistent and continuous implementation of good corporate governance and a risk management system. The duties, authorities and responsibilities of the Board of Directors are stipulated in the Joint Decree of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-06/DK/BF/II/2013 and No. 01025/DIR/ II/2013 on the Guidelines for the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero).

Duties of the Board of Directors

The duties, authorities and responsibilities of the Board of Directors are stipulated in the Joint Decree of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-06/DK/BF/II/2013 and No. 01025/DIR/II/2013 on the Guidelines for the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero).

1. The Board of Directors performs all actions related to the Company management for the interest of the Company and in accordance with the Company's purposes and objectives and represents the Company both inside and outside the court on all things and all events within limitations stipulated by the laws and regulations, the Articles of Association and/or GMS Resolutions.
2. In performing its duties, the Board of Directors must fully dedicate their energy, thought, attention, and devotion on its duties, obligations and achievement of the Company's goals.
3. In performing its roles, the Board of Directors must comply with the Company's Articles of Association and the laws and regulations and must implement professionalism, efficiency, transparency, independence, accountability, responsibility and fairness principles.
4. Each member of the Board of Directors must have good faith and full responsibility in performing his/her roles for the Company's benefits and business with regard to the applicable laws.

Authorities of the Board of Directors

In performing its duties, the Board of Directors has the authority to:

1. Establish the management policies of the Company.
2. Determine the transfer of authority of the Board of Directors to one or several members of the Board of Directors to make decisions on behalf of the Board of Directors or to represent the Company in and outside of the court of law.
3. Determine the transfer of authority of the Board of Directors to an individual or a collection of individuals working at the Company, either individually or collectively, or to another party, to represent the Company in and outside of the court of law.
4. Determine the provisions related to employment in the Company, including the determination of salary, pension or retirement benefits and other incomes for the employees of the Company based on the prevailing regulations, with the proviso that any determination of salary, pension or retirement benefits and other income for employees that exceeds the liabilities stipulated by the laws and regulations must obtain prior approval from the GMS. 5. Appoint and dismiss employees of the Company based on the Company's employment regulations and the prevailing laws.
6. Appoint and dismiss a Corporate Secretary. The appointment and dismissal of the Company Secretary is carried out in accordance with the Company's internal mechanism with the approval of the Board of Commissioners.
7. Appoint and dismiss the Head of Internal Control Unit. The appointment and dismissal of the Head of Internal Audit Unit is carried out in accordance with the Company's internal mechanism with the approval of the Board of Commissioners.
8. Perform all actions and other activities regarding the maintenance and ownership of the Company's assets, to legally bind the Company with other parties and/ or to bind other parties with the Company, as well as representing the Company in and out of the court of law on all matters and all events, with the limitations as stipulated in the prevailing laws and regulations and the Company's Articles of Association and/or the Resolutions of the GMS.
9. Cooperate with companies or other parties with their authority limited to:
   a. Rental of Assets
      The Board of Directors of the Company may lease assets with maturities of up to three years with the maximum value of transaction of 1% of the Company's revenue or 2% of its equity, whichever is smaller.
   b. Joint Operations and Business Cooperation
      The Board of Directors may enter into Joint Operations and Business Cooperations with maturities of up to five years with a maximum value of investment (the Company's assets placed into the venture) of up to 2.5% of the Company's revenue or 5% of its equity, whichever is smaller.

c. Build Operate Transfer (BOT), Build Own Transfer (BowT), Build Operate Transfer (BTO) The Board of Directors can enter into cooperation with maturities of up to ten years with a maximum value of the Company's assets placed into the cooperation of 6% of the Company's revenue or 6.5% of its equity, whichever is smaller.
d. Management Contracts and Others The Board of Directors may enter into cooperation with maturities of up to five years with a maximum value of investment (the Company's assets placed into the venture) of 2.5% of the Company's revenue or 5% of its equity, whichever is smaller.
e. The implementation of measures stated above (points a to d), must be accompanied by an Integrity Pact that contains the Board of Directors' statement that the implementation of these measures have been considered carefully and in good faith, without the influence of other parties and without any conflict of interest, as well as with prudence to serve the best interests of the Company, and subject to the applicable regulations and the principles of Good Corporate Governance (GCG).

Obligations of the Board of Directors

In performing its duties, the Board of Directors is obliged to:

1. Strive for and guarantee the running of business and activities of the Company in accordance with the Company's purposes and business activities.
2. Prepare the Company's Long Term Plan, Work Plan and Budget, and amendments thereof on time, and submit them to the Board of Commissioners and the Shareholders for approval at the GMS.
3. Provide information to the GMS of the Company's Long-Term Plan and Work Plan and Budget.
4. Prepare a list of Shareholders, the Special Register, Minutes of GMS and the meetings of the Board of Directors.
5. Prepare the Annual Report as a form of accountability of the Company's management, and the Company's financial documents as stipulated in the law on Corporate Documents.
6. Prepare the Financial Statements based on the prevailing Financial Accounting Standards and submit them to the Public Accountant to be audited.
7. Submit the Annual Report including the Financial Statements to the GMS for approval.
8. Provide information to the GMS regarding the Annual Report.
9. Submit the Company's Balance Sheet and Statements of Income that have been approved by the GMS to the minister in charge of law and human rights, in accordance with the provisions of the laws.
10. Submit the statement describing the changes to the composition of the Shareholders, the Board of Directors and the Board of Commissioners to the minister in charge of law and human rights.
11. Maintain the Register of Shareholders, the Special Register, Minutes of the GMS, Minutes of Meetings of the Board of Commissioners and the Board of Directors, the Annual Report and financial documents and other corporate documents.
12. Keep the following items in the domicile of the Company: List of Shareholders, the Special Register, Minutes of the GMS, the Minutes of Meetings of the Board of Commissioners and the Board of Directors, the Annual Report and financial documents and other corporate documents.
13. Develop an accounting system in accordance with the Financial Accounting Standards and based on the principles of internal control, especially the functions of management, recording, storage, and supervision.
14. Provide regular reports in the manner and time that is in accordance with the prevailing regulations, as well as other reports upon the request of the Board of Commissioners and/or the shareholders.
15. Set up the Company's organizational structure complete with the details and description of duties.
16. Provide an explanation about issues that are asked or requested by the members of the Board of Commissioners and the Shareholders.
17. Develop and establish an organizational blueprint for the Company.
18. Develop Key Performance Indicators for the Board of Directors to the GMS to obtain the GMS' approval.
19. Perform other obligations in accordance with the provisions set forth in the Company's Articles of Association and those determined by the GMS. based on the prevailing regulations.

Distribution of Tasks and Authorities of Each Member of the Board of Directors

Members of the Board of Directors perform their duties collegially, however in the interest of efficiency and effectiveness in performing such tasks, the duties and responsibilities can be divided among the members of the Board of Directors. The division of duties and responsibilities between members of the Board of Directors does not eliminate the responsibility of the Board of Directors for managing the Company collegially. The duties and responsibilities of each member of the Board of Directors are set out in the Company's Organizational Chart, and determined upon the approval of the Board of Commissioners.

The Board of Directors' Obligations related to Long- Term Planning (RJP)

1. The Board of Directors shall prepare an RJP, which is a strategic plan that includes the goals and objectives to be achieved within a period of 5 (five) years.
2. The RJP must at least contain:
   a. Evaluation of the implementation of previous RJP.
   b. The current position of the Company.
   c. The assumptions used in the preparation of the RJP.
   d. Determination of the mission, goals, strategies, policies and long-term work program.
3. The Board of Commissioners reviews and provides opinion on the RJP that has been prepared by the Board of Directors prior to signing it together with the Board of Directors to signify its approval.

The Board of Directors' Obligations related to the Work Plan and Budget (RKAP)

1. The Board of Directors shall annually prepare an elaboration of the RJP known as the RKAP.
2. The RKAP must at least contain:
   a. The Company's mission, goals, strategies, policies and work programs/activities.
   b. The Company's detailed budget for each program/ activity.
   c. The Company's and its subsidiaries' financial projections.
   d. Work program for the Board of Commissioners.
   e. Other matters that require the decision of the GMS.
3. The Board of Commissioners reviews and provides opinion on the RKAP that has been prepared by the Board of Directors prior to signing it together with the Board of Directors to signify its approval.
4. The RKAP draft that has been signed by all the members of the Board of Directors and all the members of the Board of Commissioners must then be submitted by the Board of Directors to the Shareholders no later than 60 (sixty) days prior to the relevant financial year to obtain the GMS' approval, subject to the prevailing regulations.
5. The RKAP draft is to be approved by the GMS no later than 30 (thirty) days after the current fiscal year.
6. In the event that the RKAP draft has not been submitted by the Board of Directors and/or the RKAP has not been approved within the period referred to in point 5 above, then the RKAP for the previous year shall be imposed on the current year.
7. The RKAP draft as referred to in point 4 above should be made available in the Company's office from the date of the summons to the date of implementation of the GMS to serve the interests of the Shareholders.

The Board of Directors' Obligations related to the Preparation of the Annual Report

1. The Company's fiscal year is the calendar year, and at the end of December of each year, the Company's books are concluded.
2. The Board of Directors shall prepare the annual report that includes at least:
   a. The financial statements, comprised of at least the balance at the end of the fiscal year in comparison with the previous financial year, the statements of income for the fiscal year, cash flow statements and statement of changes in equity, and the notes to the financial statements.
   b. Report on the Company's activities.
   c. Report on the implementation of the Company's Social and Environmental Responsibility programs, if any.
   d. Details of issues that arose during the fiscal year that have affected the Company's business activities.
   e. Report on the monitoring task that has been carried out by the Board of Commissioners during the fiscal year.

f. The names of the members of the Board of Directors and the Board of Commissioners.
g. The salaries and benefits/facilities for the members of the Board of Directors and compensation and benefits/facilities for the members of the Board of Commissioners for the fiscal year being reported.

3. The Annual Report draft includes the financial statements as audited by a public accountant, which has been signed by all members of the Board of Directors and submitted to the Board of Commissioners for review and signing, before it is submitted to the Shareholders.
4. The Public Accountant as referred to in point 3 above is selected by the GMS by taking into consideration the proposal from the Board of Commissioners.
5. The Annual Report, as referred to in point 2 above, which has been signed by all the members of the Board of Directors and all the members of the Board of Commissioners, must then be submitted by the Board of Directors to the Shareholders no later than five months after the end of the fiscal year, subject to the prevailing regulations.
6. In the event that any member of the Board of Directors and Board of Commissioners did not sign the annual report, a reason must be provided in writing, or stated by the Board of Directors in a separate letter attached to the annual report.
7. In the event that a member of the Board of Directors or the Board of Commissioners did not sign the annual report as referred to in point 5 above and did not provide a reason in writing, then he or she is deemed to have approved the content of the annual report.
8. The approval of the Annual Report includes approval of the financial statements as referred to in point 5 above. This must be performed by the GMS at the latest by the end of the sixth month after the end of the fiscal year reported.
9. The approval of the Annual Report including the approval of financial statements by the GMS means that the members of the Board of Directors and the Board of Commissioners have been fully released and discharged from the management and supervision that were implemented during the past financial year, as far as the actions are stated in the Annual Report including the financial statements, subject to the prevailing regulations.
10. The Annual Report including the Financial Statements as referred to in point 5 above shall be made available in the Company's office since the date of the summons to the date of implementation of the GMS to serve the interests of the Shareholders.
11. In the event that the financial statements provided are incorrect and/or misleading, the members of the Board of Directors and the Board of Commissioners must collectively be held responsible for the losses incurred by any party, unless it has been proven that such losses have not been caused by their mistake..

The Board of Directors' Obligations related to the Preparation of Periodic Reports

1. The Board of Directors shall prepare periodic reports detailing the implementation of the RKAP.
2. The annual report as referred to in point 1 above includes the quarterly reports and annual reports.
3. In addition to periodic reports as referred to in point 2 above, the Board of Directors at any time may also prepare a special report for the Board of Commissioners, the Shareholders, and/or the GMS.
4. The periodic reports and other reports as referred to in points 1 and 3 above are prepared in terms of form, content and procedures in accordance with the provisions of the prevailing regulations.
5. The Board of Directors shall submit quarterly reports to the Board of Commissioners and/or the Shareholders no later than thirty days after the end of the quarterly period reported.
6. The quarterly reports as referred to in point 5 above must be signed by all members of the Board of Directors.
7. In the event that a member of the Board of Directors does not sign the quarterly report as referred to in point 6 above, a reason must be provided in writing.

Risk Management Implementation

1. The Board of Directors in making each decision/action should always consider the risks involved.
2. The Board of Directors shall establish and implement an integrated corporate risk management program as part of the GCG program implementation.
3. The implementation of a risk management program may be done by:
   a. Forming a separate unit under the Board of Directors, or
   b. Assigning an existing and relevant unit to perform the function of risk management.

4. The Board of Directors shall submit a report concerning the Company's risk management profile and its handling, along with the periodic reports of the Company.

Internal Control System

1. The Board of Directors establishes an effective internal control system to secure the Company's assets and investments.
2. This internal control system must cover, among others:
   a. Internal control environment within the Company that is treated with structured discipline, comprised of:
      1. Integrity, values, ethics and employee competence
      2. Philosophy and management style
      3. Measures taken by the management to execute its authorities and responsibilities.
      4. Organization and development of human resources.
      5. Concerns and directives of the Board of Directors.
   b. Assessment of business risk management, i.e. a process for identifying, analyzing, and assessing the management of relevant risks.
   c. Control activities, i.e. actions undertaken within a control process of the Company's activities that must be present on every level and unit within the organizational structure of the Company, among others, the authority, authorization, verification, reconciliation, assessment on job performance, division of tasks and the security of the Company's assets.
   d. Information and communication systems, i.e. the process of preparing a report on the activities of the Company's operations and finance and compliance with the prevailing regulations.
   e. Monitoring, i.e. the process of assessing the quality of the internal control system, including internal audit function at every level and unit within the Company's organizational structure, so that the system can be implemented optimally.

Disclosure and Confidentiality of Information

1. The Board of Directors must submit the information on their identities, main jobs, positions as members of the Board of Commissioners in subsidiaries/ joint ventures or other companies, as well as the meetings held in the fiscal year (internal meetings and joint meetings with the Board of Commissioners or the Supervisory Board) and the salaries, facilities, and/or other benefits received from the relevant companies and subsidiaries/joint ventures, to be published in the Company's Annual Report.
2. The Board of Directors shall report to the Company regarding their and/or their family's (wife/husband and children) share ownership of the Company and other companies, including any changes thereto.
3. The Board of Directors is responsible for the Company to maintain the confidentiality of corporate information.
4. Information that under the provisions of prevailing regulations and/or the provisions of the Company's regulations is deemed confidential shall be kept confidential in accordance with the prevailing regulations and/or the Company's regulations.
5. Confidential information obtained while serving as member of the Board of Directors should be kept confidential in accordance with the prevailing regulations.

Delegation of Authority

A Director may delegate their authority to other members of the Board of Directors and officers under the Board of Directors. The delegation of authority includes the duties, responsibilities and authorities, and must be made in writing. Each delegation of authority is carried out through a thorough analysis of the work to be delegated and the competence of the person who will be delegated with such authority.

In 2015 members of the Board of Directors delegated their authority 22 times to other members of the Board of Directors, each through a power of attorney.

Distribution of Duties of Directors

The Board of Directors reports its performance to Shareholders at the GMS. The Board of Directors also has to serve the Company's interests in accordance with its vision and mission, and represents the Company in accordance with the Company's Articles of Association and the prevailing laws and regulations. The specific duties and responsibilities of each Director are as follows:

President Director

Is responsible for planning and evaluating the Company's business progress to make sure that they are in line with the Company's vision, representing the Company in cooperation with other parties, determining and adjusting the organizational structure of the Company, and ensuring the that Company carries out its social responsibilities and pays attention to the interest of stakeholders in accordance with the prevailing rules and regulations.

Director of Finance

Is responsible for assisting the President Director in setting the direction of the Company's business through planning and evaluation of the Company's financial management procedures, establishing policies in financial management, preparing accounting system based on the principles of internal control, especially the function of managing, recording, storage, and supervision, and being accountable for state and operations of the Company in the form of an annual report including the annual accounting and the management report to the GMS.

Director of Marketing

Is responsible for assisting the President Director in setting the direction of the Company's business through planning and evaluation of the enterprise marketing management procedures, and establishing policies in the management of corporate marketing.

Director of Planning & Development

Is responsible for assisting the President Director in setting the direction of the Company's business through planning and evaluation of the product development procedures and supporting the effectiveness and efficiency of production processes, and establishing policies on product development, taking into account the domestic and global markets.

Director of Production

Is responsible for assisting the President Director in setting the direction of the Company's business through planning, implementation, and evaluation of the management of production procedures, and establishing policies in production management, including the policy on product quality that meets national and international standards.

Director of Human Resources

Is responsible for assisting the President Director in setting the direction of the Company's Human Resources (HR) management, logistics management, Information Technology (IT) management, and Implementation of Corporate Social Responsibility (CSR) and the Partnership and Community Development Programs (PKBL), setting the policies for Human Resources management, including the performance and reward management system, talent management, knowledge management, and organizational development, establishing policies on logistics management, information technology, and the implementation of CSR and CSR activities.

FREQUENCY AND ATTENDANCE OF DIRECTORS IN THE BOARD OF DIRECTORS MEETING

Meetings of the Board of Directors of Bio Farma as stipulated in the Joint Decree of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-06/DK/BF/II/2013 and No. 01025/DIR/II/2013 on the Guidelines for the Board of Commissioners and Board of Directors of PT Bio Farma (Persero) (Board Manual).

Meeting Basis, Time and Venue

1. Meetings of the Board of Directors are conducted on a regular basis, at least once a month.
2. In addition to this schedule, the Board of Directors may also hold meetings at any time by mentioning the issues to be discussed and/or the issues for which a decision must be made, if:
   a. It is requested by 1 (one) or more members of the Board of Directors.
   b. It is requested in writing by one or more members of the Board of Commissioners.
   c. It is requested in writing by the Shareholders.
3. Meetings of the Board of Directors is held at the domicile of the Company or in any other place in the jurisdiction of the Republic of Indonesia as determined by the Board of Directors.

Participants of the Meetings of the Board of Directors

1. The participants of the meetings of the Board of Directors are all members of the Board of Directors.
2. Should the Board of Directors deem it necessary, another party can be invited to the meetings of the Board of Directors to provide explanation on the issues being discussed.

Board of Directors Meeting Agenda

1. The Director that proposes that a meeting of the Board of Directors be held must specify the event and prepare the materials/files that need to be discussed at the meeting of the Board of Directors.
2. The agenda for the meeting of the Board of Directors may be submitted orally or in writing in the form of memos, letters and others, accompanied by the material/files that will be needed in the meeting.
3. The Director that proposes that a meeting of the Board of Directors be held must determine the agenda to be discussed/decided in the meeting, for which, if deemed necessary by that particular member of the Board of Directors, the Company Secretary can be assigned to carry out the preparation for the event and prepare the materials/files for the meeting of the Board of Directors.
4. Any agenda that has not been conclusively discussed/ decided at the previous meeting of the Board of Directors may be submitted again to the following meeting of the Board of Directors by any concerned member of the Board of Directors.
5. Any member of the Board of Directors may add an agenda to the meeting of the Board of Directors that has been arranged in advance, to be discussed/ decided in the meeting of the Board of Directors, as long as the materials/files have been prepared by said member the Board of Directors, and as long as this motion has been agreed by the other members of the Board of Directors or their authorized representatives.
6. All materials/files that need to be discussed in the meeting of the Board of Directors are submitted by the Corporate Secretary to the members of the Board of Directors prior to the meeting.

Board of Directors Meeting Invitation

1. Meeting invitations are prepared in writing by the President Director or by any other member of the Board of Directors on behalf of the President Director and are delivered within 3 (three) days before the meeting is held, or in a shorter time period if required for a meeting that will be held immediately, without regard to the date of the invitation and the meeting date.
2. In the invitation to the meeting of the Board of Directors, the meeting date, time, place and agenda of must be stated.
3. Invitation to the meeting of the Board of Directors is not required if all members of the Board of Directors are present at the meeting.

Quorum for The Board of Directors Meetings

1. Meetings of the Board of Directors are deemed legitimate and may take binding decisions if attended by more than half of the total members of the Board of Directors or their authorized representatives.
2. Every Director should strive to attend all meetings of the Board of Directors.
3. Any member of the Board of Directors may be represented at the meetings of the Board of Directors only by another member of the Board of Directors, based on a written power of attorney

made for the specific purpose, i.e. for the said meeting of the Board of Directors.

4. A member of the Board of Directors may only represent another member of the Board of Directors.

Board of Directors Meeting Chairman

1. Meetings of the Board of Directors are chaired by the President Director.
2. In the event that the President Director is absent, the Board of Directors meeting shall be chaired by a member of the Board of Directors that has been appointed in writing by the President Director.
3. In the event that the President Director is absent and the President Director has not appointed a replacement, then a member of the Board of Directors who has served the longest in office as a member of the Board of Directors shall chair the Board of Directors meeting.
4. In the case that there are more than one member of the Board of Directors with the longest serving period as a member of the Board of Directors, then the oldest member of the Board of Directors among these longest-serving Directors shall chair the Board of Directors meeting.

Minutes of Meetings of the Board of Directors

1. For each meeting of the Board of Directors, the Minutes of Meeting should be made.
2. The Minutes of Meeting of the Board of Directors shall include:
   a. Reason for absence of members of the Board of Directors, should there be anyone not present;
   b. The results of the evaluation of the implementation of all the decisions made in the previous meeting of the Board of Directors;
   c. The dynamics of the decision-making process at the meeting of the Board of Directors, including the opinions that are formed in the meeting, both arguments in favor or against, or a different opinion (dissenting opinion) if any;
   d. Consideration and/or analysis in the decision making at the meeting of the Board of Directors;
   e. Issues that are decided at the meeting of the Board of Directors.
3. The Minutes of Meeting of the Board of Directors document is signed by the chairman of the meeting, all members of the Board of Directors who are present at the meeting, and the secretary.
4. The Minutes of Meeting of the Board of Directors document is reproduced and circulated to all members of the Board of Directors, both those who are present and not present in the meeting of the Board of Directors.
5. The original document for the meeting of the Board of Directors is stored and maintained by the Board of Directors. The Board of Directors may assign this duty to the Corporate Secretary.

Minutes of the Board of Directors Meetings

1. The minutes of the Board of Directors meetings is the Corporate Secretary.
2. In the event that the Corporate Secretary is absent or unavailable, then an attending member of the Board of Directors or another person appointed by the chairman of the Board of Directors meeting may act as the The minutes of the Board of Directors meeting.

Frequency of Meetings and Attendance of the Board of Directors

In 2015, the Board of Directors and the Board of Commissioners met 16 times with their members' attendance at these meetings described below:

NO.	NAME	POSITION	TOTAL MEETING	TOTAL ATTENDANCE
1.	Iskandar	President Director	16	16 (100%)
2.	Juliman Fuad	Production Director	16	16 (100%)
3.	Sugeng Raharso	Planning & Development Director	16	16 (100%)
4.	Mahendra Suhardono	Marketing Director	16	16 (100%)
5.	Pramusti Indrascaryo	Finance Director	16	16 (100%)
6.	Andjang Kusumah	Human Resource Director	16	16 (100%)

Attendance of the Board of Directors in Meetings

NAME	MONTH												NUMBER OF MEETINGS	NUMBER OF ATTENDANCE	ATTENDANCE RATE (%)
	1	2	3	4	5	6	7	8	9	10	11	12			
Iskandar	3	1	-	2	1	2	1	1	3	-	1	1	16	16	100
Juliman Fuad	3	1	-	2	1	2	1	1	3	-	1	1	16	16	100
Sugeng Raharso	3	1	-	2	1	2	1	1	3	-	1	1	16	16	100
Mahendra Suhardono	3	1	-	2	1	2	1	1	3	-	1	1	16	16	100
Pramusti Indrascaryo	3	1	-	2	1	2	1	1	3	-	1	1	16	16	100
Andjang Kusumah	3	1	-	2	1	2	1	1	3	-	1	1	16	16	100

2015 the Board of Directors Meetings Agenda

Throughout 2015 the Board of Directors meetings discussed various issues faced by the Company, its performance and strategies related to the management of the Company, as described in the following agendas:

NO.	DAY/DATE	MEETING AGENDA	VENUE
1	Wednesday/7 January 2015	Follow up on previous meeting Cooperation Agreements Land Search Progress POA Plans 2014 Performance Report (unaudited) Others	Meeting Room 4th Fl, Administration II Bio Farma
2	Thursday/15 January 2015	Follow up on previous meeting Preparation for the AGMS of 2015 RKAP Others	Meeting Room 4th Fl, Administration II Bio Farma
3	Tuesday/27 January 2015	Direction of POA 2015 Others	Multi Purpose Room Bio Farma
4	Friday/6 February 2015	Follow up on previous meeting Investment timeline PKBL Jasinga land Others	Meeting Room 7th Fl, Pakarti Building Jakarta
5	Thursday/2 April 2015	Follow up on previous meeting Overseas business trip coordination Others	Meeting Room 4th Fl, Administration II Bio Farma
6	Wednesday/22 April 2015	Follow up on previous meeting Jasinga land plans Others	Meeting Room 6th Fl, Administration II Bio Farma
7	Monday/11 May 2015	Follow up on previous meeting IPV Plans for product research and development cooperations ISO and OHSAS audit preparation Others	Meeting Room 6th Fl, Administration II Bio Farma
8	Friday/19 June 2015	KMKE extension Others	Meeting Room 4th Fl, Administration II Bio Farma
9	Thursday/25 June 2015	Follow up on previous meeting Plans for RJPP (New Product Plans) Type 2 OPV Bulk production plans PT Pamor Baru receivables Corporate Agenda Others	Meeting Room 4th Fl, Administration II Bio Farma
10	Wednesday /29 July 2015	Follow up on previous meeting First semseter LMP 2015 Others	Meeting Room 4th Fl, Administration II Bio Farma
11	Wednesday /19 August 2015	Follow up on previous meeting Celebration of Indonesia 70th Independence Day Others	Meeting Room 4th Fl, Administration II Bio Farma
12	Monday /7 September 2015	Follow up on previous meeting New product cooperation plans Others	Meeting Room 4th Fl, Administration II Bio Farma
13	Wednesday /16 September 2015	Follow up on previous meeting RKAP Investments 2015 Others	Meeting Room 4th Fl, Administration II Bio Farma
14	Tuesday /29 September 2015	Follow up on previous meeting RJPP drafting preparation Others	Meeting Room 4th Fl, Administration II Bio Farma
15	Tuesday /3 November 2015	Follow up on previous meeting Corporate agenda Others	Meeting Room 4th Fl, Administration II Bio Farma
16	Thursday/17 December 2015	Follow up on previous meeting Pre AGMS preparation IPV preparation progress Subsidiaries Others	Meeting Room 4th Fl, Administration II Bio Farma

FREQUENCY OF MEETINGS AND ATTENDANCE OF THE DIRECTORS AT THE JOINT MEETINGS OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

Joint Meetings of the Board of Directors and the Board of Commissioners

Meeting Basis, Time and Venue

1. The Joint Meetings of the Board of Directors and theBoard of Commissioners are held regularly, at least once a month.
2. In addition to the scheduled meetings, The Joint Meetings of the Board of Directors and the Board of Commissioners may also be held at any other time by stating the issues to be discussed and/or for which a decision shall be made:
   a. At the request of 1 (one) or more members of the Board of Commissioners or more than half the total number of members of the Board of Directors or more than half the total number of members of the Board of Commissioners.
   b. At the written request of the Shareholders.
3. The Joint Meetings of the Board of Directors and the Board of Commissioners are held at the Company or elsewhere within the territory of the Republic of Indonesia as determined by the Board of Directors.

Participants of the Joint Meetings of the Board of Directors and the Board of Commissioners

1. The Joint Meetings of the Board of Directors and the Board of Commissioners are attended by all members of the Board of Commissioners and the Board of Directors.
2. If the Board of Commissioners or the Board of Directors deems it necessary, other parties may attend the Joint Meetings of the Board of Directors and the Board of Commissioners to provide certain explanations that are deemed necessary.

Agendas of the Joint Meetings of the Board of Directors and the Board of Commissioners

1. The Board of Directors and the Board of Commissioners who propose the Joint Meetings of the Board of Directors and the Board of Commissioners must specify the event and prepare the materials/files needed to be discussed in the Joint Meetings of the Board of Directors and the Board of Commissioners.
2. The agenda for the Joint Meetings of the Board of Directors and the Board of Commissioners may be submitted orally or in writing in the form of memo, letter or others, accompanied by the materials/ files needed for the Joint Meeting of the Board of Directors and the Board of Commissioners.
3. The Director or Commissioner that proposes that a Joint Meeting of the Board of Directors and the Board of Commissioners be held must determine the agenda to be discussed/decided in the meeting, for which, if deemed necessary by that particular member of the Board of Directors or the Board of Commissioners, the Company Secretary can be assigned to carry out the preparation for the event and prepare the materials/files for the Joint Meeting of the Board of Directors and the Board of Commissioners.
4. Any agenda that has not been conclusively discussed/ decided at the previous Joint Meeting of the Board of Directors and the Board of Commissioners may be submitted again to the following Joint Meeting of the Board of Directors and the Board of Commissioners by any concerned member of the Board of Directors or the Board of Commissioners.
5. Any member of the Board of Directors or the Board of Commissioners may add an agenda to the Joint Meeting of the Board of Directors and the Board of Commissioners that has been arranged in advance, to be discussed/ decided in the Joint Meeting of the Board of Directors and the Board of Commissioners, as long as the materials/ files have been prepared by said member the Board of Directors or the Board of Commissioners, and as long as this motion has been agreed by the other members of the Board of Directors and/or the Board of Commissioners, or their authorized representatives.
6. All materials/files that need to be discussed in the Joint Meeting of the Board of Directors and the Board of Commissioners that come from the Board of Directors are presented to the Corporate Secretary, to be subsequently be transmitted by the Corporate Secretary to the members of the Board of Directors and the Board of Commissioners through the Secretary to the Board of Commissioners, prior to the Joint Meeting of the Board of Directors and the Board of Commissioners.
7. All materials/files that need to be discussed in the Joint Meeting of the Board of Directors and the Board of Commissioners that come from the Board of Commissioners are presented to the Secretary to the Board of Commissioners, to be subsequently be transmitted by the Secretary to the Board of Commissioners to the members of the Board of Directors through the Corporate Secretary, prior to the Joint Meeting of the Board of Directors and the Board of Commissioners.

Invitation to Joint Meetings of the Board of Directors and the Board of Commissioners

1. If the Board of Directors initiates the Joint Meeting of the Board of Directors and the Board of Commissioners, then the schedule for the said meeting is to be agreed upon by the Board of Directors and the Board of Commissioners. Meeting invitations are made in writing by the President Director or by the members of the Board of Directors representing the President Director and is delivered within at most 3 (three) days before the said meeting is held, or in a shorter time should it be required to immediately hold the meeting, with no regard to the date of the summons and the meeting date.
2. If the Board of Commissioners initiates the Joint Meeting of the Board of Directors and the Board of Commissioners, then the schedule for the said meeting is to be agreed upon by the Board of Directors and the Board of Commissioners. Meeting invitations are made in writing by the President Commissioner or by the members of the Board of Commissioners representing the President Commissioner and is delivered within at most 3 (three) days before the meeting is held or in a shorter time should it be required to immediately hold a meeting, with no regard to the date of the summons and the meeting date.
3. Invitation to the Joint Meeting of the Board of Directors and the Board of Commissioners should include the date, time, place and agenda of the Joint Meeting of the Board of Directors and the Board of Commissioners.
4. Invitation to the Joint Meeting of the Board of Directors and the Board of Commissioners is not required if all the members of the Board of Directors and the Board of Commissioners are in attendance.

Quorum for the Joint Meetings of the Board of Directors and the Board of Commissioners

1. Joint Meetings of the Board of Directors and the Board of Commissioners are deemed legitimate and may take binding decisions if attended by more than half of the total members of the Board of Directors or their authorized representatives and more than half of the total members of the Board of Commissioners or their authorized representatives.
2. Every Director and Commissioner should strive to attend all Joint Meetings of the Board of Directors and the Board of Commissioners.
3. Any member of the Board of Directors may be represented at the Joint Meeting of the Board of Directors and the Board of Commissioners only by another member of the Board of Directors, based on a written power of attorney made for the specific purpose, i.e. for the said Joint Meeting of the Board of Directors and the Board of Commissioners.
4. A member of the Board of Directors may only represent another member of the Board of Directors.
5. Any member of the Board of Commissioners may be represented at the Joint Meeting of the Board of Directors and the Board of Commissioners only by another member of the Board of Commissioners, based on a written power of attorney made for the specific purpose, i.e. for the said Joint Meeting of the Board of Directors and the Board of Commissioners.
6. A member of the Board of Commissioners may only represent another member of the Board of Commissioners.

Joint Meetings of the Board of Directors and the Board of Commissioners Chairman

1. Joint Meetings of the Board of Directors and the Board of Commissioners are chaired by the President Commissioner.
2. In the event that the President Commissioner is absent, the Joint Meeting of the Board of Directors and the Board of Commissioners shall be chaired by a member of the Board of Commissioners that has been appointed in writing by the President Commissioner.
3. In the event that the President Commissioner is absent and the President Commissioner has not appointed a replacement, then a member of the Board of Commissioner who has served the longest in office as a member of the Board of Commissioners shall chair the Joint Meeting of the Board of Directors and the Board of Commissioners.
4. In the case that there are more than one member of the Board of Commissioner with the longest serving period as a member of the Board of Commissioners, then the oldest member of the Board of Commissioners among these longest-serving Commissioners shall chair the Joint Meeting of the Board of Directors and the Board of Commissioners.

Minutes of Joint Meetings of the Board of Directors and the Board of Commissioners

1. For each Joint Meeting of the Board of Directors and the Board of Commissioners, the Minutes of Meeting should be made.
2. The Minutes of Joint Meetings of the Board of Directors and the Board of Commissioners shall include:
   a. Reason for absence of members of the Board of Directors and/or Board of Commissioners, should there be anyone not present;

b. The results of the evaluation of the implementation of all the decisions made in the previous Joint Meeting of the Board of Directors and the Board of Commissioners;
c. The dynamics of the decision-making process at the Joint Meeting of the Board of Directors and the Board of Commissioners, including the opinions that are formed in the meeting, both arguments in favor or against, or a different opinion (dissenting opinion) if any;
d. Consideration and/or analysis in the decision making at the Joint Meeting of the Board of Directors and the Board of Commissioners;
e. Issues that are decided at the Joint Meeting of the Board of Directors and the Board of Commissioners.

3. The Minutes of Joint Meeting of the Board of Directors and the Board of Commissioners document is signed by the chairman of the meeting, all members of the Board of Directors and the Board of Commissioners who are present at the meeting, and the meeting secretary.
4. The Minutes of Joint Meeting of the Board of Directors and the Board of Commissioners document is reproduced and circulated to all members of the Board of Directors and the Board of Commissioners, both those who are present and not present in the Joint Meeting of the Board of Directors and the Board of Commissioners.
5. The original document for the meeting of the Board of Directors and the Board of Commissioners is stored and maintained by the Corporate Secretary.

The minutes of the Joint Meetings of the Board of Directors and the Board of Commissioners

The role of secretary at the Joint Meetings of the Board of Directors and the Board of Commissioners is assigned to the Secretary to the Board of Commissioners.

In the event that the Secretary to the Board of Commissioners is absent or unavailable, then another person appointed by the chairman of the Board of Directors meeting may act as the secretary at the Joint Meetings of the Board of Directors and the Board of Commissioners.

In 2015, the Board of Directors and the Board of Commissioners met 15 times with their members' attendance at these meetings described below:

NO.	NAME	POSITION	BOC – BOD MEETING
1.	Iskandar	President Director	15
2.	Juliman Fuad	Production Director	15
3.	Sugeng Raharso	Planning & Development Director	15
4.	Mahendra Suhardono	Marketing Director	15
5.	Pramusti Indrascaryo	Finance Director	15
6.	Andjang Kusumah	HR Director	15

Attendance 2015 Board of Commissioners – Board of Directors Meeting

NO.	NAME	LMP 2015 (UNAUDITED) 28 JANUARY 2015	LMP 2015 (AUDITED) 23 FEBRUARY 2015	LMP 2015 29 APRIL 2015	LMP 2015 31 JULY 2015	RKAP 2016 29 OCTOBER 2015
				TW I	SMT I	
1.	Iskandar	1	1	1	1	1
2.	Pramusti Indrascaryo	1	1	1	1	1
3.	Andjang Kusumah	1	1	1	1	1
4.	Mahendra Suhardono	1	1	1	1	1
5.	Juliman	1	1	1	1	1
6.	Sugeng Raharso	1	1	1	1	1
1.	Ahmad M. Ramli	1	1	1	1	1
2.	Herman Ladjidja Djuni	1	1	1	-	-
3.	Nizar Yamanie	1	1	1	1	1
4.	Paruli Lubis	1	1	1	1	1
5.	Ihsan Setiadi Latief	1	1	1	1	1
6.	Heridadi	1	1	1	1	1
7	M. Subuh	-	-	-	1	1

Agendas of the Joint Meetings of the Board of Directors and the Board of Commissioners in 2015

Throughout 2015, the Joint Meetings of the Board of Directors and the Board of Commissioners discussed various issues faced by the Company, the performance and strategies related to the management of the Company, as detailed in the following table:

NO.	DAY/DATE	MEETING AGENDA
1.	9 January 2015	Land Acquisition Plan
2.	6 February 2015	Discussion of PKBL PT Bio Farma
3.	25 February 2015	Discussion of LMP and PKBL Activities report fiscal year 2014.
4.	27 February 2015	Follow up from last meeting Main duties and function of BOD and BOC Jasinga land leasing
5.	8 April 2015	Discussion of AGMS preparations for 2014 Fiscal Year Annual Report authorization Others
6.	29 April 2015	Discussion of Report from Company Management and First Quarter 2015 PKBL Activities Report PT Bio Farma (Persero)
7.	1 June 2015	Jasinga land development Report of WHA-68 meeting Proposed abolition of assets
8.	22 June 2015	Discussion related to Jasinga land development Follow up IPV product WHA Others
9.	9 July 2015	Preparation of GCG Implementation Assessment of PT Bio Farma Others
10.	30 July 2015	Discussion on Company Management Report for First Semester 2015 Others related to Extension of Working Capital Loan Disbursement
11.	30 July 2015	Discussion on Company Management Report and PKBL activities report of PT Bio Farma (Persero) for First Semester 2015 Others related to the Company's development
12.	12 October 2015	Follow up of previous meeting Assessment and action plan on Jasinga land New organizational structure and job description on Jasinga land team Others
13.	29 October 2015	Discussion on RKAP plans for 2016
14.	3 November 2015	LMP discussion for Third Quarter 2015
15.	25 November 2015	Discussion on PT Bio Farma Employee Letter No. 003/PRSDM-FORWAN BF/X/2015 dated 5 October 2015
16.	17 December 2015	Preparation for RUPA RKAP 2016 PT Bio Farma (persero) Plans for subsidiary establishment IPV progress Halal Product Guarantee regulation progress

TRAINING FOR ENHANCING COMPETENCE OF THE BOARD OF DIRECTORS AND INDUCTION FOR NEW DIRECTORS

Training and Competence Enhancement for the Board of Directors

Training and self-development for members of the Board of Directors must be carried out in a sustainable manner, to ensure the knowledge, competence, and support the execution of duties of the Board of Directors. In 2015, the Board of Directors participated in the following training, workshop, and information dissemination sessions as follows:

NO	NAME	TOPIC	DATE	ORGANIZER	TRAINING VENUE
1	Iskandar	The taxation mechanism related to the Company's business development plan.		Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
2	Andjang Kusumah	The taxation mechanism related to the Company's business development plan.		Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
3	Mahendra Suhardono	The taxation mechanism related to the Company's business development plan.		Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
4	Juliman F.	The taxation mechanism related to the Company's business development plan.		Directorate General of Taxes of Ministry of Finance & PWC	Kuta, Bali
5	Sugeng Raharso	The taxation mechanism related to the Company's business development plan.		Directorate General of Taxes of Ministry of Finance & PWC	Batam
6	Pramusti Indrascaryo	The taxation mechanism related to the Company's business development plan.		Directorate General of Taxes of Ministry of Finance & PWC	Batam
7	Iskandar	Bisnis Plan and Strategic		Directorate General of Taxes of Ministry of Finance & PWC	Batam
8	Andjang Kusumah	Bisnis Plan and Strategic		Directorate General of Taxes of Ministry of Finance & PWC	Batam
9	Mahendra Suhardono	Bisnis Plan and Strategic		Directorate General of Taxes of Ministry of Finance & PWC	Batam
10	Juliman F.	Bisnis Plan and Strategic		Directorate General of Taxes of Ministry of Finance & PWC	Batam
11	Sugeng Raharso	Bisnis Plan and Strategic	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Batam
12	Pramusti Indrascaryo	Bisnis Plan and Strategic	1 - 2 June 2015	Directorate General of Taxes of Ministry of Finance & PWC	Batam
13	Iskandar	Fixed assets revaluation for tax purposes and capital investments related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
14	Andjang Kusumah	Fixed assets revaluation for tax purposes and capital investments related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam

NO	NAME	TOPIC	DATE	ORGANIZER	TRAINING VENUE
15	Mahendra Suhardono	Fixed assets revaluation for tax purposes and capital investments related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
16	Juliman F.	Fixed assets revaluation for tax purposes and capital investments related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
17	Sugeng Raharso	Fixed assets revaluation for tax purposes and capital investments related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam
18	Pramusti Indrascaryo	Fixed assets revaluation for tax purposes and capital investments related to taxation.	4 December 2015	Ministry of Finance Republic of Indonesia	Batam

Induction Program for New Directors

In order to develop the competence and introduce the Company to a new Director, Bio Farma maintains an induction program for new Directors, which is aimed at providing an overview of the Company, including the general condition of the Company, financial conditions, strategies currently being executed, business activities, long-term plans, as well as the duties and responsibilities of the Board of Directors.

The induction program for new Directors is prepared by the Corporate Secretary in collaboration with the Human Resources Division and other relevant divisions, and was presented in the form of presentations, handover of annual reports, company profile, company history, GCG-related documentation, product knowledge, and a site visit to the vaccine production facilities.

The new Directors also actively participate in various forums held by the Company, both on a national scale such as the Vaccine Research Forum and on the international scale such as the Developing Countries Vaccine Manufacturer Networks and the Organization of Islamic Cooperation (OIC).

In 2015 there were no changes to the composition of the Board of Directors of PT Bio Farma (Persero), and therefore no induction program was held that year.

BOARD CHARTER

In order to perform the functions and roles as the Company's management and to build rapport with the Board of Commissioners, the Board of Directors is guided by the Board Manual for the Board of Directors.

The Board Manual is a living document, and thus it must be regularly updated and enhanced based on the Company's current needs and the requirements of the prevailing regulations.

The purpose of the Board Manual is

1. To act as a set of guidelines for the Board of Commissioners and the Board of Directors in performing their respective duties in a professional and responsible manner.
2. To detail the work relationships between the Board of Commissioners and the Board of Directors in performing their duties, so as to ensure a professional management of the Company in line with the good corporate governance principles.

The Board Manual for the Board of Commissioners and the Board of Directors was prepared based on the mutual agreement of Board of Directors and Board of Commissioners, and stipulated in the documents No. KEP-06/DK/BF/II/2013 and No. 01025/DIR/II/2013 on the Board Manual for the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero). The guidelines set out in the Board Manual for the Board of Directors among others discuss these aspects:

1. Induction program for new Directors
2. Training programs for Directors
3. Work relationship between the Board of Commissioners and the Board of Directors
4. Duties, authorities and obligations as well as the division of duties of the Board of Directors
5. Provisions for the execution of duties of a vacant Director position
6. Conflict of interest
7. Obligations of the Board of Directors related to the long-term planning
8. Obligations of the Board of Directors related the RKAP preparation
9. Obligations of the Board of Directors related to the preparation of Annual Report
10. Risk management
11. Internal control systems
12. Disclosure and confidentiality of information
13. Business ethics and anti-corruption
14. Prohibition of acting for personal interest
15. Meetings of the Board of Directors
16. Joint Meetings of the Board of Directors and the Board of Commissioners

Policy on Directorial Succession

In accordance with the SOE Ministerial Regulation No. PER-03/MBU/02/2015 on Qualifications, Procedures of Appointment, and Discharge of Members of Directors of State-owned Enterprises, directorial candidates are:

1. SOE Directors;
2. SOE Commissioners/Trustees;
3. SOE talents proposed by the Board of Commissioners:
   a. Officials one level under the Directors or of outstanding performance;
   b. Directors of SOE subsidiaries/SOE joint ventures.
4. Talents in the SOE Ministry;
5. From other sources:
   a. Officials from other SOEs; and,
   b. Other sources.

The Directorial candidates must satisfy the formal and informal requirements stipulated in PER-03/MBU/02/2015 and pass Fit and Proper Tests conducted by professional bodies. Candidates put forward in the GMS are evaluated by a Team assembled by the SOE Ministry and involves the President Commissioner and Chair of the Nomination Committee of the Board of Commissioners.

In accordance with Article 17 paragraph (2) of the Bylaws of the Company, members of the Directors appointed by the GMS are candidates proposed by Shareholders following nomination processes set out by prevailing regulations. GMS nominations are final and binding.

The GMS may exonerate a Director at any time if the Director: 1) fails to discharge his responsibilities as agreed in his management contract; 2) fails to satisfactorily discharge his duties; 3) violates prevailing regulations and/or Bylaws of the Company; 4) declared as suspect or accused in damaging actions to the Company and/or State; 5) is involved in ethical violations and/or conventionally respected norms as Director of the Company; 6) other reasons deemed appropriate by the GMS; and, 7) declared guilty by a binding and final court decision.

Exoneration is finalised after the given Director exercises his right of reply. A Director may resign from his position providing he advises his intent in writing to the Company.

The policy on the Board of Directors succession
The policy on the Board of Directors succession is stipulated in the Decree of the Board of Directors of PT Bio Farma (Persero) No. 03982/DIR/VII/2013 on the Third Amendment to the Decree of the Board of Directors of PT Bio Farma (Persero) No. 03940/DIR/VI/2007 dated 4 June 2007 on the Employee Career Planning System in PT Bio Farma (Persero). The management succession is intended to prepare the candidates for the members of the Board of Directors from within the Company. The management succession begins with the cadre program, by taking into account the integrity, dedication and competence of the individual. Candidates for the members of the Board

of Directors that are from State-Owned Enterprises may be considered to be appointed as members of the Board of Directors at the State-Owned Enterprise based on the Fit & Proper Test by a professional institution appointed by the State-Owned Enterprise. Alternatively, the Technical Deputy or the Secretary of the Ministry of the State- Owned Enterprise may request an opinion from the Board of Commissioners regarding the candidates for the members of the Board of Directors that are from State-Owned Enterprises.

Affiliations of the Board of Commissioners and Directors

The respective duties and authorities of the Board of Commissioners and Directors' are outlined in the Bylaws of the Company and prevailing regulations. Both have the joint responsibility to ensure the long-term continuity of the company.

The Board of Commissioners is a Company organ whose collective duties and responsibilities are to supervise and advise the Directors and ensure consistent implementation of GCG.

The Board of Commissioners are prohibited to intervene in decision pertaining to the Company's operations. The Directors, on the other hand, is a Company organ whose collegial duties and responsibilities are in Company management and its accountability in the GMS.

As the 2 (two) most important Company organs, the Board of Commissioners and Directors hold routine joint meetings to converge their views and decide on crucial matters pertaining to the Company's business and strategic decisions. Coordination between the Board of Commissioners and Directors are conducted in Board of Commissioners' meetings attended by Directors. Such meetings are routinely held by the Board of Commissioners to discuss, among others things, previous month's performance, upcoming plans on current opportunities, and strategic issues requiring Board of Commissioners' approval.

The relationship between the Board of Commissioners and Directors involves, but not limited to, the following:

1. Approval of Directors' proposals on:
   a. LTCP;
   b. Company Development Plans;
   c. PACB;
   d. Other plans pertaining to the Company's businesses and operations;
   e. Appointment and discharge of Chair of Internal Oversight;
   f. Appointment and discharge of Corporate Secretary;
   g. Unless specified by prevailing regulations, matters requiring written approval from the Board of Commissioners as stipulated in the Bylaws of the Company.
2. Joint studies with Directors on the Company's Vision and Mission.
3. If required, the Directors will assist the Board of Commissioners in:
   a. The appointment of external auditors in accordance with the Company's goods and services procurement stipulations.
   b. The appointment of independent assessors to assess GCG implementation within the Company.
4. The Directors are responsible to ensure that:
   a. The Board of Commissioners receives information on the Company on time and in full;
   b. The Board of Commissioners receives periodic reports on the implementation of internal monitoring functions and implementation of information technology procedures;
   c. The Board of Commissioners receives reports on the Directors and members of the Board of Commissioners in the Company's subsidiaries and/or joint ventures as stipulated in the GMS of such Subsidiaries and/or joint ventures.
   d. The Board of Commissioners or Supporting Committees of the Board of Commissioners receives answers to any questions raised;
   e. The Board of Commissioners receives the Directors' Minutes of Meetings.
5. Other matters as stipulated in the Bylaws of the Company, Board Manual of the Board of Commissioners & Directors, and prevailing regulations.

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

BOARD OF COMMISSIONERS

Board of Commissioners Performance Assessment Procedures

Board of Commissioners performance is evaluated by the Shareholders at the GMS based on the Company's performance as stated in the authorization of the Company's Financial Statements by the GMS. Board of Commissioners performance assessment by the GMS is reflected on the resolution of the GMS that approves and authorizes the Financial Statements including the Report of the Board of Commissioners on their supervision of the Company for the past fiscal year.

Referring to the Minister of State-Owned Enterprises Regulation No. PER-01/MBU/2011, that the GMS determines the Board of Commissioners Performance Achievement Indicators based on the recommendation from the Board of Commissioners, the Board of Commissioners of Bio Farma issued the Decree of the Board of Commissioners No. SK-06/DK/BF/XII/2011 dated 19 December 2011 on the Determination and Assessment of Key Performance Indicators (KPI) for the Board of Commissioners in 2012.

Criteria Used in Conducting Board of Commissioners Performance Assessment

The Board of Commissioners KPI Assessment results for 2015 are as follows:

NO.	ASPECTS AND PARAMETERS	PERIOD	OUTPUT UNIT	WEIGHT	TARGET	REALIZATION	WEIGHT
(1)							
Planning Aspect							
1.	Drafting of Work Plan and Budget as well as Board of Commissioners KPI 2015	Annually	Documents	10	1	1	10
Sub Total				10			10
Supervision and Instructions Aspects :							
1.	Delivering advice / suggestions to the share holders regarding:	Annually	Letter	4	1	1	4
	a. Company Work and Budget program	Annually	Letter	4	1	1	4
	b. Annual Report						
	c. Analysis of company quarterly performance	Quarterly	Letter	4	3	3	4
	d. RJPP 2015-2019	One Year	Letter	4	1	0	0
2.	Delivering advice to the Board of Directors according to the duties of Board of Commissioners Number of Meetings Attendance Completion of the minutes of meetings	Monthly Monthly Monthly	Times % Minutes of meeting				
3.	Board of Commissioners Meetings Number of Meetings Attendance Completion of the minutes of meetings	Monthly Monthly Monthly	Times % Minutes of meeting	4 4 4	12 100 12	16 95.96 15	5 4 5
4.	Board of Commissioners Committee meetings with related units	Annually	Minutes of meeting	6	12	12	6
5.	Board of Commissioners work visit	One year	Visitation	4	2	4	8
6.	Board of Commissioners Committee work visit realization	Annually	%	3	100	90	3
Sub Total				60			67
Reporting Aspects							

NO.	ASPECTS AND PARAMETERS	PERIOD	OUTPUT UNIT	WEIGHT	TARGET	REALIZATION	WEIGHT
1.	Report of Board of Commissioners KPI Realization	Quarterly	Report	5	2	2	5
2.	Annual Oversight Report of Board of Commissioners	Annually	Report	10	1	1	10
Sub Total				15			15
Dynamic Aspect							
1.	External Auditor Proposal to Shareholders	Annually	Letter	3	1	1	3
2.	Capacity building through seminars, workshops, etc.	One year	Times	3	4	4	3
3.	Result of Board of Commissioners GCG Assessment (self assessment or independent consultant)	Annually	Score	3	85	85.77	3
4.	Duties distributuin of the Board of Commissioners	One year	Times	3	1	1	3
5.	Respond on follow up finding auditor of Internal Auditor and GCG Assessor	One year	Letter	3	1	1	3
Sub Total				15			15
TOTAL				100			107

The Board of Commissioners' 2014 KPI is different from that in 2015. The 2014 KPI does not include planning aspects whereas the 2015 KPI did. As such, the Board of Commissioners' KPI for 2014 and 2015 are not comparable. The table below shows the KPI of the Board of Commissioners for 2014 and 2015.

The Board of Commissioners KPI Assessment results for 2014

INDICATOR	WEIGHT	2014
Aspects of Supervision and Instructions	60	60,4
Reporting Aspect	30	30
Dynamic Aspects	10	8
Total	100	98,4

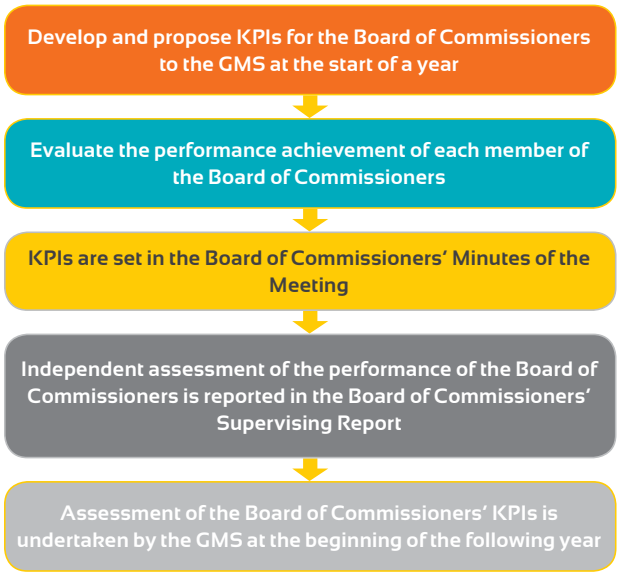
The Board of Commissioners KPI Assessment results for 2015

INDICATOR	BOBOT	2015
Aspects of Supervision and Instructions	10	10
Reporting Aspect	60	67
Dynamic Aspects	15	15
Total	15	15
	100	107

Party Conducting the Assessment The Board of Commissioners performance

The Board of Commissioners performance was self-assessed collegially and is part of the Board of Commissioners Report of Supervision. The execution of duties is planned at the beginning of each year in a Work Program stipulated in the Work Plan and Budget. At the end of the year, the Board of Commissioners prepares its Repot of Supervision which is subsequently submitted to the Shareholders at the GMS to be evaluated and authorized.

Assessment of Commissioners' performance is carried out in accordance with PER-01/MBU/2011 dated 1st August 2011 on Implementation of Good Corporate Governance in State-owned Enterprises and Decree of the Board of Commissioners No. KEP-04/DK/BF/07/2015 dated 31st July 2015 on Amendments on Monitoring Policy and Provision of Advice.



THE BOARD OF DIRECTORS

The Board of Directors Performance Assessment Procedures

The Board of Directors performance is evaluated by the Shareholders at the GMS in a collective collegial manner based on the Company's performance as stated in the authorization of the Company's Financial Statements by the GMS. At the beginning of each year, the Board of Directors is required to formulate their Key Performance Indicators (KPIs) that captures the Work Plan and Budget authorized by the GMS and stipulated in the management contract. The formulation of the KPIs refers to the Minister of State-Owned Enterprises Letter No. S-676/MBU/2004 dated 22 December 2004 on the Determination of KPIs for the Shareholders' purpose of measuring the Board of Directors performance up to the end of the year. The Board of Directors performance is collectively reported by the Board of Commissioners to the GMS in the Board of Commissioners Report of Supervision.

The Board of Directors Performance Assessment Criteria

The Board of Directors KPI Assessment 2015

KPI		WEIGHT	UNIT	TARGET	REALIZATION	SCORE
Finance and Market	Business Revenue Growth	15	%	16.66	14.77	13.30
	Asset Growth	15	%	22.56	86.58	57.57
	EBITDA Margin	10	%	43.43	44.12	10.16
Sub Total		40				81.03
Process and Product Effectiveness	PQ WHO	10	%	100	100	10.00
	PROPER Ministry of Environment	10	Category	Green	Gold	13.33
Sub Total		20				23.33
Focus On The Customer	Customer Satisfaction	10	%	Good	Good	10.00
Sub Total		10				10.00
Focus On The Employees	Growth of Employee Cost	5	%	18.02	16.28	5.53
	Workforce Productivity	5	Rp/Employee	2,073,180,220	2,095,356,607	5.05
Sub Total		10				10.58
Leadership, Governance and Social Responsibility	Health Status	5	Category	Healthy (AAA)	Healthy (AA)	4.44
	GCG and KPKU Score					
	GCG Score	4	Score	86	86.83	4.04
	KPKU Score	4	Score	380	467	4.92
	Capex					
	Program	2,5	%	100	86.65	2.17
	Physical	2,5	%	75	82.21	2.74
	SOE Portal Data Entry	2	%	100	100	2.00
Sub Total		20				20.31
Total		100				145.25

The Board of Directors KPI Achievements 2012, 2013, 2014 dan 2015 are as follows:

KPI	MAXIMUM SCORE	2012	2013	2014	2015
Finance and Market	40	31.50	27	45	81.03
Process and Product Effectiveness	20	38.50	27.5	38.50	23.33
Focus On The Customer	10	18	13.5	18	10.00
Focus On The Employees	10	24	24	28	10.58
Leadership, Governance and Social Responsibility	20	28	20	36	20.31
Total	**100**	**140**	**112**	165.5	145.25

Party Conducting the Assessment

The Board of Commissioners performance was self-assessed collegially and is part of the Board of Commissioners Report of Supervision. The execution of duties is planned at the beginning of each year in a Work Program stipulated in the Work Plan and Budget. At the end of the year, the Board of Commissioners prepares its Repot of Supervision which is subsequently submitted to the Shareholders at the GMS to be evaluated and authorized.

KEY PERFORMANCE INDICATORS (KPI)

As a whole, the 2015 KPI have exceeded the targets in particular in the aspects of finance & market, and leadership, governance & social responsibility. However, in the aspects of process & product effectiveness, focus on the customer, and focus on the employees the KPI achievements were below their respective targets.

NO.	KPKU Perspective	TARGET			REALIZATION BY YEAR			ACHIEVEMENT		
		2013	2014	2015	2013	2014	2015	2013	2014	2015
		WEIGHT (%)			SCORE			%		
I	Finance and Market (7.5)	24	24	40	42,8	22,03	81,03	178,33	91,79	202,58
II	Process and Product Effectiveness (7.1)	20	20	20	18,42	17,27	23,33	92,10	86,35	116,65
III	Focus On The Customer (7.2)	22	22	10	20,81	23,59	10	94,59	107,23	100,00
IV	Focus On The Employees (7.3)	17	17	10	22,79	16,18	10,58	134,06	95,18	105,80
V	Leadership, Governance and Social Responsibility (7.4)	17	17	20	17,95	19,06	20,31	105,59	112,12	101,55
Total		100	100	100	122,77	98,13	145,25	122,77	98,13	145,25

SUMMARY OF THE 2015 KPI

Finance and Market

The 2015 KPI score for finance and market of the company is 81.03 or 202.58% higher than the projected score of 40. The asset growth indicator exceeded its 2015 KPI target with a score of 57.57.

Product and Process Effectiveness

The 2015 KPI score for product and process effectiveness is 23.33 or 116.65% higher than the projected score of 20. The score exceeds the target.

Customer focus

The 2015 KPI score for customer focus is 100% achieved with a score of 10. The score is on target.

Workforce Focus

The 2015 KPI score for workforce focus is 10.58. The score exceeds the target.

Leadership, Governance, and Social Responsibility

The 2015 KPI score for leadership, governance, and social responsibility is 20.31 or 101.55% higher than projected.

PPEC, GCG, and Capex exceeded their target.

KPI based on KPKU Perspective

KPI BASED ON KPKU PERSPECTIVE	MAXIMUM SCORE	REALIZATION	SCORE
Category 1: Leadership			
1.1 Senior Leadership	70	55	38.50
1.2 Corporate Governance and Social Responsibility	50	50	25.00
Category 2: Strategic Planning			
2.1 Strategy Development	40	50	20.00
2.2 Strategy Implementation	45	50	22.50
Category 3: Customer Focus			
3.1 Voice of Customers	45	50	22.50
3.1 Customers Engagement	40	45	18.00
Category 4: Measurement, Analysis and Knowledge Management			
4.1 Measurement, Analysis and Performance Imporvement	45	50	22.50
4.2 Information, Knowledge, and Technology Management	45	50	22.50
Category 5: Human Resources Focus			
5.1 Employee Environment	40	50	20.00
5.2 Employee Engagement	45	45	20.25
Category 6: Operations Focus			
6.1 Work Process	45	50	22.50
6.2 Process Effetiveness	40	50	20.00
Category 7: Results			
7.1 Product and Process Results	110	40	44.00
7.2 Customer Focus Results	85	45	38.25
7.3 Human Resources Results	85	40	34.00
7.4 Leadership and Corporate Governance Results	80	45	36.00
7.5 Financial Results	90	45	40.50
Total	1,000		467.00

KPI BASED ON KPKU PERSPECTIVE	2013	2014	2015
Category 1: Leadership	48	60	63.50
Category 2: Strategic Planning	29.75	42.50	42.50
Category 3: Customer Focus	27.75	29.75	40.50
Category 4: Measurement, Analysis and Knowledge Management	33.75	40.50	45
Category 5: Work Force Focus	29.75	40.25	40.25
Category 6: Operations Focus	34	44.25	42.50
Category 7: Results	112	165.5	192.75
TOTAL	315	422.75	467

Company Soundness Level Assessment

Company Soundness level is measured based on the guidelines issued by the Minister of SOEs through the Decree of the Minister for State Owned Enterprises No. KEP-100 / MBU / 2002 dated 4 June 2002 on the Assessment of Company Soundness Level for State-Owned Enterprises. The progress of Company soundness within 3 (three) years shown excellent condition, three years in a row ranked "Healthy AAA". The company's performance in 2012 achieving a score of 95.50 with the criterion of "Healthy AAA", in 2013 with a score of 96.00 with the criterion of "Healthy AAA" in 2014 reached a score of 95.50 with the criterion of "Healthy AAA", and in 2015 reached a score of 88.50 with the criterion of "Healthy AA".

Company Soundness Level Assessment 2012-2015(Audited)

		SCORE		SCORE		SCORE		SCORE	
NO.	INDICATOR	VALUE	2012	VALUE	2013	VALUE	2014	VALUE	2015
I.	FINANCIAL ASPECT								
	(ROE)	20	29.36%	20	37.81%	20	30.76%	20	15.59%
	(ROI)	15	31.22%	15	34.81%	15	31.20%	15	19.33%
	Cash Ratio	5	252.13%	5	228.74%	5	286.08%	5	124.50%
	Current Ratio	5	522.91%	5	395.98%	5	537.18%	5	446.93%
	Collection Period	5	55.99 day	5	56.76 day	5	45.94 day	5	79 day
	Inventory Turnover	5	41.11 day	5	40.35 day	5	58.32 day	5	71.97 day
	Total Asset Turnover	**3.5**	**76.87%**	**3.5**	**79.48%**	**5**	**75.56%**	5	48.46%
	Owned Fund Ratio to Total Asset	**7**	**84.61%**	**7.5**	**77.56%**	**10**	**81.53%**	10	86.38%
	SUBTOTAL	**65.5**		**66**		**70**		70	
II.	OPERATIONAL ASPECT								
	Efficiency in Production & Productivity	5	Rp744.29	5	Rp766.16	5	Rp800.39	5	Rp1,292
	Production Continuity Maintenance	5	14.44%	5	12.89%	5	16.39%	5	14.04%

NO.	INDICATOR	SCORE VALUE	2012	SCORE VALUE	2013	SCORE VALUE	2014	SCORE VALUE	2015
	Research & Development	2	87.76%	2	89.24%	2	87.20%	2	100%
	Results of Implementation of Government's Assignments	3	100%	3	100%	3	100%	3	89.90%
	SUBTOTAL	**15**		**15**		**15**		15	
III.	ADMINISTRATIVE ASPECT								
	Financial Annual Report	3	100%	3	100%	3	100%	3	100%
	RKAP Plan	3	100%	3	100%	3	100%	3	100%
	Periodic Report	3	100%	3	100%	3	100%	3	100%
	PKBL Performance:								
	Fund disbursement effectivity	3	91.91%	3	15.87%	3	90.07%	3	86.44%
	Colloectibility rate of loan repayment	3	83.95%	3	71.32%	3	75.72%	3	76.30%
	SUBTOTAL	**15**		**15**		**15**		15	
	TOTAL SCORE	95.5		96		100		100	
	CRITERIA	Healthy (AAA)		Healthy (AAA)		Healthy (AAA)		Healthy (AA)	

REMUNERATION FOR THE BOARD OF DIRECTORS

REMUNERATION BASIS

The authority to determine remuneration for members of the Board of Commissioners and the Board of Directors belongs to the Shareholders and is authorized at the GMS. The formulation for determining remuneration refers to the Regulation of the Minister of State-Owned Enterprises No. PER-04/MBU/2014 dated 10 March 2014 on the Guidelines for the Determination of Salary for the Board of Directors, Board of Commissioners, and Supervisory Board of State-Owned Enterprises, the Decree of the Board of Commissioners of PT Bio Farma (Persero) No. KEP-05/DK/BF/III/2015 dated 7 August 2015 on the Determination of Salary , allowances and facilities for the Board of Directors and Board of Commissioners of PT Bio Farma (Persero) in 2015 and the Resolution of the Shareholders at the GMS of PT Bio Farma (Persero) No. RIS-02/RUPS/BF/V/2015 dated 31 May 2015 on Approval of Financial Statement and Partnership and Community Development Programme (PCDP) Activity Report of PT Bio Farma (Persero) of the 2014 Financial Year.

PROCEDURES FOR DETERMINING REMUNERATION

a. The GMS determines the salary for the Board of Directors and Board of Commissioners based on PER-04/MBU/2014.
b. The formulation for calculating the President Director's salary is based on an internal guideline determined by the Minister as a reference for calculating the salary for Directors.
c. Salaries / honorariums and bonuses for members of the Board of Directors and Board of Commissioners for Fiscal Year 2014 are based on the decision of the PT Bio Farma (Persero) Shareholders as the General Meeting of Shareholders, noted in the Minutes of the Meeting of the General Meeting of Shareholders No. RIS-02/AGM/BF/V/2015 dated 13 May 2015 regarding Ratification of the PT Bio Farma (Persero) Financial Statement and Partnership and Community Development Program (PKBL) Report for Fiscal Year 2014.
d. Based on the approval and resolution of the GMS of the Annual Report of PT Bio Farma (Persero) for FY2014, the salary for the President Director for FY2015 is set at Rp 80,000,000 per month, and the salary for other Directors is set at 90% of the salary for the President Director. Bonus for other members of the Board of Directors is set at 90% of the bonus for the President Director.

INDICATORS USED IN THE DETERMINATION OF DIRECTOR'S REMUNERATION

a. The determination of income, which is defined as salary/honorarium, allowances and facilities that are permanent, takes into consideration the revenue, assets, and the financial conditions and capability of the Company, inflation rate, and other relevant factors, as long as all these comply to the relevant laws and regulations.
b. The determination of allowances and bonus that are variable takes into consideration the achievement of targets, the financial situation and capability of the Company, as well as other relevant factors.
c. Remuneration is given to the Board of Directors by taking into account the achievement of the Board of Directors' Key Performance Indicators (KPIs) in relation to the Company's achievements in 2014.

BOARD OF DIRECTORS' REMUNERATION STRUCTURE 2015

In compliance with decision of the GMS No.: RIS-02/RUPS/BF/V/2015 dated 13 May 2015 regarding Ratification of the PT Bio Farma (Persero) Financial Statement and Partnership and Community Development Program (PKBL) Activity Report for Fiscal Year 2014, the salary for the President Director in 2014 shall be Rp 80,000,000 per month, while the salaries for the other Directors shall be 90% of the salary of the President Director.

Based on the Regulation of the Minister of State-Owned Enterprises No. PER-04/MBU/2014, the remuneration received by the Board of Directors of Bio Farma in 2014 consisted of honorarium, allowances, and other facilities such as insurance and pension, as detailed below:

Board of Directors Remuneration

[In Rupiah]

NAME	SALARY PER YEAR 1	ALLOWANCE PER YEAR 2	SERVICE DEDUCTION 3	NET SALARY PER YEAR 4 = 1 + 2 - 3	TANTIEM + RELIGIOUS HOLIDAY ALLOWANCE 5	TOTAL 6 = 4 + 5
Iskandar	915,000,000,00	300,000,000,00	25,020,000,00	1,189,980,000,00	1,807,774,295,00	2,997,754,295,00
Andjang Kusumah	823,500,000,00	300,000,000,00	23,350,000,00	1,100,150,000,00	1,626,996,865,00	2,727,146,865,00
Pramusti Indrascaryo	823,500,000,00	300,000,000,00	23,350,000,00	1,100,150,000,00	1,626,996,865,00	2,727,146,865,00
Mahendra Suhardono	823,500,000,00	300,000,000,00	23,350,000,00	1,100,150,000,00	1,626,996,865,00	2,727,146,865,00
Juliman Fuad	823,500,000,00	300,000,000,00	23,350,000,00	1,100,150,000,00	1,626,996,865,00	2,727,146,865,00
Sugeng Raharso	823,500,000,00	300,000,000,00	23,350,000,00	1,100,150,000,00	1,626,996,865,00	2,727,146,865,00
Total	**5,032,500,000.00**	**1,800,000,000.00**	**141,770,000.00**	**6,690,730,000.00**	**9,942,758,620.00**	**16,633,488,620.00**

In addition to salaries, Directors are also entitled to allowances and facilities, as follows:

Salary, Allowances and Facilities of BOD

SALARY PER YEAR	ALLOWANCES	FACILITIES
President Director Rp 915.000.000,- Board of Directors Rp 823.500.000,-	Holiday Allowance 1 (one) month salary • Pension benefit insurance up to 25% of salary/ year • Housing Allowance in accordance with PER-04/ MBU/2014, the BOD must occupy the office house if provided by the Company until the end of his/her term and Housing Allowance is stopped. Transportation Allowance in accordance with PER-04/MBU/2014 is 20% of monthly honorarium.	Transport facility is given to each member of BOC one unit of Toyota Camry with the maximum 3,500 cc engine. • Health facility: in accordance with PER-04/ MBU/2014 (in the form of health insurance or at cost) • Legal Assistance facility: in accordance with PER-04/MBU/2014 (amounted to the cost)

INFORMATION ON PRIMARY SHAREHOLDERS AND CONTROLLING SHAREHOLDERS, DIRECT AND INDIRECT, TO INDIVIDUAL OWNERS

As a State Owned Enterprise, all of the shares of PT Bio Farma (Persero) are owned in their entirety by the Government of the Republic of Indonesia. As of 31 December 2015, Bio Farma was a Non-Listed Company, thus the public and the Bio Farma Board of Directors and Board of Commissioners did not own any Bio Farma shares. As such, Bio Farma does not present Information regarding its primary or controlling shareholder, either directly or indirectly, down to the individual owner.

DISCLOSURE OF AFFILIATIONS BETWEEN MEMBERS OF THE BOARD OF DIRECTORS, BOARD OF COMMISSIONERS, AND PRIMARY AND/OR CONTROLLING SHAREHOLDERS OF THE COMPANY

AFFILIATIONS BETWEEN MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE BOARD OF COMMISSIONERS, AND THE PRIMARY AND/OR CONTROLLING SHAREHOLDERS

Statement of Independence and Possible Conflicts of Interest

On 31st December 2015, each Director drafted a statement of independence to assert their status of independence and state situations in which the Directors have conflicting interests on actions taken throughout last year. Directors are required to advise changes which might affect their independence, including changes in both private and family share ownership in Bio Farma and other companies. The Corporate Secretary is duty-bound to ensure the practice is conducted in accordance with GCG principles.

Directors' independence is established to ensure all and every management matters of the Company and relationships with other parties are free from external interventions or in contravention of prevailing regulations and Bylaws of the Company, which could materially disturb the objectivity and autonomy of the Directors' duties in the interests of the company.

In 2015, the members of the Board of Commissioners and Directors do not have conflicting interests in decision-making. In their capacity, the Directors are not affiliated with the Board of Commissioners, Primary Shareholders, and/or Controlling Shareholders (SOE Ministry).

STATEMENT OF INDEPENDENCE FROM POTENTIAL CONFLICT OF INTEREST BY THE BOARD OF DIRECTORS

Iskandar Andjang Kusumah Mahendra Suhardono Juliman Fuad Sugeng Raharso Pramusti Indrascaryo	a. Declares neither the Director nor his family hold shares in PT Bio Farma (Persero) or other companies that are listed on the special register of Board of Directors share ownership. b. Has no familial relationship to the third degree either vertically or horizontally or any relationship arising through marriage with any other member of the Board of Directors, Board of Commissioners, Major Shareholder and/or Controller. c. Conducts none of the following: - Serves as a Director of a State Owned Enterprise, Regionally Owned Enterprise or Private Enterprise that could cause a conflict of interest related to his role with PT Bio Farma (Persero). - Sits on the Board of Commissioners of an SOE. - Holds another structural or functional position in a central and/or regional government institution. - Serves on the board of a political party and/or is a candidate or serving legislator and/or candidate or serving regional government head or deputy. - Holds another position that could give rise to conflict of interest related to his role with PT Bio Farma (Persero). d. Avoids conflicts of interest that could influence operational decision making for the Company. e. In carrying out operational management of the Company during 2015, has acted independently, in particular in the decision making process, including but not limited to the matters listed above.

Share Ownership of the Directors and Their Families

As at 31 December 2015, no members of the Board of Directors hold shares of PT Bio Farma (Persero), other State- Owned Enterprises, or other companies. Therefore, the Board of Directors of Bio Farma has fulfilled the independence criteria as stipulated in the Regulation of the Minister of State-Owned Enterprises No. PER-01/MBU/2011.

AFFILIATIONS AMONG DIRECTORS, WITH THE BOARD OF COMMISSIONERS, AND WITH PRIMARY OR CONTROLLING SHAREHOLDERS

As at 31 December 2015, no members of the Board of Directors hold shares of PT Bio Farma (Persero), other State- Owned Enterprises, or other companies. Therefore, the Board of Directors of Bio Farma has fulfilled the independence criteria as stipulated in the Regulation of the Minister of State-Owned Enterprises No. PER-01/MBU/2011.

Share Ownership of the Board of DIrectors

NAME	PT BIO FARMA (PERSERO)	OTHER SOE	OTHER COMPANY
Iskandar	None	None	None
Juliman Fuad	None	None	None
Sugeng Raharso	None	None	None
Mahendra Suhardono	None	None	None
Pramusti Indrascaryo	None	None	None
Andjang Kusumah	None	None	None

Double Position on the Board of Directors

NAME	POSITION IN BIO FARMA (PERSERO)	POSITION IN THE OTHER SOE	POSITION IN THE OTHER COMPANY/ INSTITUTION
Iskandar	President Director	None	None
Juliman Fuad	Production Director	None	None
Sugeng Raharso	Planning & Development Director	None	None
Mahendra Suhardono	Marketing Director	None	None
Pramusti Indrascaryo	Finance Director	None	None
Andjang Kusumah	HR Director	None	None

Family and Financial Relationship of the Board of Directors

	FAMILY RELATIONSHIP WITH						FINANCIAL RELATIONSHIP WITH					
	BOC		BOD		SHAREHOLDER		BOC		BOD		SHAREHOLDER	
NAME	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
Iskandar		√		√		√		√		√		√
Andjang Kusumah		√		√		√		√		√		√
Juliman		√		√		√		√		√		√
Sugeng Raharso		√		√		√		√		√		√
Pramusti Indrascaryo		√		√		√		√		√		√
Mahendra Suhardono		√		√		√		√		√		√

AUDIT COMMITTEE

The Audit Committee of PT Bio Farma (Persero) was established in 2004 to support the Board of Commissioners in carrying out the supervision of the Company's management based on the principles of good corporate governance. Members of the Audit Committee are appointed and dismissed by the Board of Commissioners and reported to the GMS. Members of the Committee that concurrently serve on the Board of Commissioners are automatically dismissed once their respective term of office on the Board of Commissioners ends.

The establishment of the Committee was pursuant to Law No. 19/2003 on SOE article 70 paragraph 1, which states that the Board of Commissioners must establish an Audit Committee that functions collectively as an organ of supervision of the Company, as well as pursuant to Regulation of the Minister of SOE No. PER-05/MBU/2006 dated 20 December 2006 on Audit Committee for State Owned Enterprises, as amended by Regulation of the Minister of SOE No. PER-12/MBU/2012 dated 24 August 2012 on the Supporting Organs of the Board of Commissioners/Supervisory Board of SOEs. In carrying out their duties, the Audit Committee is guided by the Audit Committee Charter, authorized on 1 July 2014. The Audit Committee Charter stipulates the vision, mission, purpose and goals of the Committee, the membership, authority and rights, duties and responsibilities, relationships with all related parties, conflict of interest, and code of conduct.

BACKGROUND ON THE FORMATION OF THE AUDIT COMMITTEE

The Audit Committee is formed on the basis of Article 70 paragraph (1) of Law Number 19 Year 2003 on State-owned Enterprises. The Law legally requires the Board of Commissioners to form an Audit Committee to work collectively and monitor the company. Additional legal bases of the Audit Committee are SOE Ministerial Regulation No. PER-05/MBU/2006 dated 20th December 2006 on Audit Committees in State-owned Enterprises as revised by SOE Ministerial Regulation No. PER-12/MBU/2012 dated 24th August 2012 on Supporting Organs of the Board of Commissioners/Board of Trustees of SOEs.

The Audit Committee of PT Bio Farma (Persero) was formed in 2003 following the mandate of Decree No. 023/KEP/DK/BF/2003 dated 29th August 2003 on the Establishment of the Audit Committee of PT Bio Farma (Persero). The Audit Committee is formed to assist the Board of Commissioners to supervise the management of the Company in accordance with the principles of good corporate governance.

The most recent revision of the Audit Committee's mandate is the Decree of the Board of Commissioners No. KEP-15/DK/BF/VII/2014 dated 1st July 2014 on the Appointment of Members of the Audit Committee of PT Bio Farma (Persero).

APPOINTMENT AND DISCHARGE OF THE AUDIT COMMITTEE

The appointment and discharge of the members of the Audit Committee are based on SOE Ministerial Regulation No. PER-12/MBU/2012 dated 24th August 2012, which stipulates that the Chair and Members of the Audit Committee may be appointed and discharged by Board of Commissioners and notified to the GMS.

The Chair of the Audit Committee is an independent member of the Board of Commissioners or an independently-acting member. A Committee member concurrently serving in the Board of Commissioners is automatically discharged following the expiry of his tenure in the Board. Members of the Audit Committee may be from the Board of Commissioners or from outside the Company.

In the discharge of its duties, the Audit Committee adheres to its Charter, ratified on 1st July 2014. The Audit Committee Charter contains the Committee's background, vision, mission, aims and objectives, position, membership, rights and authorities, duties and responsibilities, relations with relevant parties, meetings, reports, conflict resolution, and code of ethics.

The maximum tenure for the non-Commission members of the Audit Committee is 3 (three) years and may be extended once during 2 (two) office terms without prejudice to the Board of Commissioners' rights to discharge at any time.

COMPOSITION OF THE AUDIT COMMITTEE

Members of the Audit Committee are not Bio Farma employees, vendors, nor do they have any conflicting interests in Bio Farma. The Board of Commissioners appoints and discharges the Chair/Member of the Committee by means of a Decree of the Board of Commissioners and submitted to the SOE Ministry as shareholder.

Decrees of the Board of Commissioners of Bio Farma on Composition of the Audit Committee

- No. 023/KEP/DK/BF/2003 dated 29th August 2003 on the Establishment of the Audit Committee of PT Bio Farma (Persero);
- No. 71/KEP/DK/BF/2006 dated 22nd August 2006 on the Extension of Tenure of External Members of the Audit Committee of PT Bio Farma (Persero);
- No. KEP-50/KEP/BF/XII/2007 dated 31st December 2007 on the Discharge and Appointment of the Chair and Members of the Audit Committee of PT Bio Farma (Persero);
- No. KEP-50A/DK/BF/XII/2007 dated 31st December 2007 on the Appointment of the Secretary of the Audit Committee of PT Bio Farma (Persero);
- No. KEP-64/DK/BF/XII/2009 dated 28th December 2009 on the Extension of Tenure of Members of the Audit Committee of PT Bio Farma (Persero) for 2010-2011;
- No. KEP-11/DK/BF/XI/2012 dated 22nd November 2012 on Discharge and Appointment of the Chair and Vice Chair of the Audit and Remuneration Committee;
- No. KEP-10/DK/BF/IV/2013 dated 15th April 2013 on Appointment of the Audit Committee of PT Bio Farma (Persero) of the Board of Commissioners of PT Bio Farma (Persero);
- No. KEP-18/DK/BF/XII/2013 dated 31st December 2013 on Discharge of the Members of the Audit Committee of PT Bio Farma (Persero) of the Board of Commissioners of PT Bio Farma (Persero);
- No. KEP-01/DK/BF/I/2014 dated 15th January 2014 on the Extension and Appointment of the Audit Committee of PT Bio Farma (Persero) of the Board of Commissioners of PT Bio Farma (Persero);
- No. KEP-05/DK/BF/II/2014 dated 19th February 2014 on Appointment of the Audit Committee of PT Bio Farma (Persero) of the Board of Commissioners of PT Bio Farma (Persero); later revised by Decree
- No. KEP-15/DK/BF/VII/2014 dated 1st July 2014 on the Appointment of the Members of the Audit Committee of PT Bio Farma (Persero);

Changes in the Composition of the Audit Committee

1. In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-05/DK/BF/II/2012 dated 7th February 2012, membership of the Audit Committee consists of 4 (four) members: 2 (two) concurrent Commissioners as Chair and Vice Chair serving concurrently as member, and 2 (two) independent members. Composition of the Audit and Remuneration Committee is as follows:

NO.	NAME	POSITION
1	Chaizi Nasucha	Chairman
2	Ahmad M. Ramli	Vice Chair and member
3	M. Iqbal Alamsjah	Member (external)
4	Dadang E. Sukarsa	Member (external)

2. In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-10/DK/BF/XI/2012 dated 22nd November 2012, membership of the Audit Committee consists of 3 (three) members: 1 (one) concurrent Commissioner as Chair and 2 (two) independent members. Composition of the Audit and Remuneration Committee is as follows:

NO.	NAME	POSITION
1	Paruli Lubis	Chairman
2	M. Iqbal Alamsjah	Member (external)
3	Dadang E. Sukarsa	Member (external)

3. In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-10/DK/BF/IV/2013 dated 15th April 2013, membership of the Audit Committee consists of 4 (four) members: 2 (two) concurrent Commissioners as Chair and Vice Chair serving concurrently as member, and 2 (two) independent members. Both Chair and Vice Chair of the Audit Committee assumes office for 3 (three)

years. Composition of the Audit Committee is as follows:

NO.	NAME	POSITION
1	Paruli Lubis	Chairman
2	Ahmad M. Ramli	Vice Chair and member
3	M. Iqbal Alamsjah	Member (external)
4	Dedi Sopyan	Member (external)

4. In accordance with the Decree of the Board of Commissioners of Bio Farma No. KEP-18/DK/BF/XII/2013 on the Honourable Discharge of the Members of the Audit Committee of PT Bio Farma (Persero), the following:

NO.	NAME	POSITION
1	M. Iqbal Alamsjah	Member (external)
2	Dedi Sopyan	Member (external)

   Were appointed in accordance with Decrees of the Board of Commissioners No. KEP-01/DK/BF/I/2012, KEP-02/DK/BF/I/2012 dated 20th January 2012, and KEP-10/DK/BF/IV/2013 dated 15th April 2013. Bio Farma expresses its utmost gratitude for their service and dedication while serving as members of the Audit Committee of PT Bio Farma (Persero). The Decree of the Board of Commissioners of PT Bio Farma (Persero) is effective on 1st January 2014.

5. In accordance with the Decree of the Board of Commissioners of PT Bio Farma (Persero) No. KEP-01/DK/BF/I/2014 dated 23rd January 2014 on the Extension and Appointment of the Audit Committee of PT Bio Farma (Persero):
   a. Extends the tenure of Dedy Sopyan as member of the Audit Committee of PT Bio Farma (Persero) to May 2014.
   b. Appoints Abu Bakar as member of the Audit Committee of PT Bio Farma (Persero) with a tenure of 3 (three years).

6. In accordance with the Decree of the Board of Commissioners of PT Bio Farma (Persero) No. KEP-15/DK/BF/VII/2014 dated 1st July 2014 on the Appointment of the Audit Committee of PT Bio Farma (Persero), the Board:

   Appoints M. Asawir Harahap as member of the Audit Committee of PT Bio Farma (Persero) with a tenure of 3 (three years).

7. In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-15/DK/BF/VII/2014 dated 1st July 2014, membership of the Audit Committee consists of 4 (four) members: 2 (two) concurrent Commissioners as Chair and Vice Chair serving concurrently as member, and 2 (two) independent members:

NO.	NAME	POSITION
1	Paruli Lubis	Chairman
2	Herman L. Djuni*	Vice Chair and member
3	Abu Bakar	Member (external)
4	M. Asawir Harahap	Member (external)

   In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-10/DK/BF/09/2015 dated 30th September 2015, membership of the Audit Committee consists of 4 (four) members: 2 (two) concurrent Commissioners as Chair and Vice Chair serving concurrently as member, and 2 (two) independent members:

NO.	NAME	POSITION
1	Paruli Lubis	Chairman
2	Ihsan S. Latief*	Vice Chair and member
3	Abu Bakar	Member (external)
4	M. Asawir Harahap	Member (external)

Names and Positions of The Members of The Audit Committee

In 2015, following the mandate of the Decree of the Board of Commissioners NO. KEP-10/DK/BF/09/2015 dated 30th September 2015, the Board honourably discharges Herman L. Djuni as Vice Chair and concurrent member of the Audit Committee of PT Bio Farma (Persero). Bio Farma expresses its utmost gratitude for his dedication and service during his tenure in the Audit Committee of PT Bio Farma (Persero). The Board of Commissioners appoints the following names as members of the Audit Committee of PT Bio Farma (Persero):

1. Paruli Lubis as Chair
2. Ihsan Setiadi Latief as Vice Chair concurrent member.
3. M. Asawir Harahap as independent member (external)
4. Abu Bakar as independent member (external)

Both Chair and Vice Chair of the Audit Committee assumes office for 2 (three) years. The tenure of the Audit Committee is stipulated in the Decree of the Board of Commissioners No. 15/DK/BF/VII/2014 dated 1st July 2014 and KEP-05/DK/BF/II/2014 dated 19th February 2014 without prejudice to the Board of Commissioners' rights to discharge members at any time.

The Audit Committee assists the Board of Commissioners in the discharge of its duties and directly accountable to the Board of Commissioners of PT Bio Farma (Persero).

NO.	NAME	POSITION	LEGAL BASIS OF APPOINTMENT
1	Paruli Lubis	Chairman	Decree of the Board of Commissioners No. KEP-10/DK/BF/09/2015 dated 30th September 2015
2	Herman L. Djuni*	Vice Chairman concurrent member	Tenure expires: Decree of the Board of Commissioners No. KEP-10/DK/BF/09/2015 dated 30th September
3	Ihsan Setiadi Latief**	Vice Chairman concurrent member	Decree of the Board of Commissioners No. KEP-10/DK/BF/09/2015 dated 30th September 2015
4	Abu Bakar	Member (independent)	Decree of the Board of Commissioners No. KEP-10/DK/BF/09/2015 dated 30th September 2015
5	M. Asawir Harahap	Member (independent)	Decree of the Board of Commissioners No. KEP-10/DK/BF/09/2015 dated 30th September 2015

*End of Tenure
** From the Risk, Development, & GCG Committee to the Audit Committee.

Qualifications & Experiences of the Audit Committee

Qualifications of the Audit Committee

a. Members of the Audit Committee must satisfy the following requirements:
   1. Sound integrity and in-depth knowledge and experience on the tasks pertaining to monitoring/auditing.
   2. Not in a position where personal interests will cause adverse effects and conflicts of interest to the Company.
   3. Able to communicate effectively.
   4. Adequate time to fulfil his duties.
   5. Other additional requirements as set out in the Audit Committee Charter, if required.

b. At least one member of the Audit Committee must be trained or experienced in accounting or finance, and at least one member must thoroughly understand the Company's industry/business.

Qualifications and Competences of the Audit Committee in 2015



Paruli Lubis
Chair of the Audit Committee

Profile can be seen in Profiles of the Board of Commissioners.



Herman L. Djuni
2nd Vice Chair and Concurrent Member of the Audit Committee

Born in Brastagi, 7 August 1949, Herman L. Djuni was a retired Army Officer graduating from the Armed Forces Academy of the Republic of Indonesia (Akabri) in 1972. Obtained a Bachelor of Industrial Engineering degree from the Jenderal Achmad Yani University, Bandung (2000).



Ihsan Setiadi Latief
Member of the Audit Committee

Profile can be seen in Profiles of the Board of Commissioners.

Profiles of the Chair and Vice Chairs of the Audit Committee can be seen in the Company Profile section in this year's Annual Report.



Abu Bakar
Audit Committee Member

Born on 31 December 1964, graduated from the Faculty of Economics, Syiah Kuala University, majoring in accounting, and is experienced working as middle level auditor at the Ministry of SOE and member of the audit committee of PT PNM in 2012-2013, as well as other institutions. Appointed by the Decree of the Board of Commissioners No. Kep-01/ DK/BF/I/2014.



M. Asawir Harahap
Audit Committee Member

Born in Padangsidimpuan, 11 August 1946. Graduated with a Bachelor's degree in Finances/Accounting and has an experience working as auditor at various state-owned enterprises and regional government-owned enterprises at the State Accounting Directorate, as well as various positions at Regional Office VII DJPKN Palembang, BPKP of South Sumatera. Appointed by the Decree of the Board of Commissioners No. Kep-15/DK/BF/VII/2014.

INDEPENDENCY OF THE AUDIT COMMITTEE

All Audit Committee members do not have any affiliation with other Committee members, nor with the Risk, Development, and GCG Committee, not with the Directors, nor with the Board of Commissioners, and nor with Primary or Controlling Shareholders. The Audit Committee's independence is established to ensure all and every management matters of the Company and relationships with other parties are free from external interventions or in contravention of prevailing regulations and Bylaws of the Company, which could materially disturb the objectivity and autonomy of the Committee's duties in the interests of the company. All Audit Committee members do not have any kinship ties up to the third degree horizontally or vertically from marriage with other Committee members, nor with the Risk, Development, and GCG Committee, nor with the Directors, nor with the Board of Commissioners, and nor with Primary or Controlling Shareholders.

AUDIT COMMITTEE'S STATEMENT OF INDEPENDENCE POTENTIAL CONFLICT OF INTEREST

Paruli Lubis Ihsan Setiadi Latief Abu Bakar M. Asawir Harahap	a. Have no financial or managerial relations or share ownership. b. Have no private interest / relations that can have negative impact and conflict of interest against the relevant SOE. c. Not related by blood to 3rd degree either vertically or horizontally or as a result of marriage with the Members of the Board of Commissioners or the Board of Directors, Major Shareholder and / or Controller. d. Not also a member of a committee in other companies. e. If the members of the Risk, Development and GCG Committee comes from a particular institution, the institutions in which members of the Risk Committee, Development and GCG comes from may not provide services to the Company. f. Does not have the following activities: • Serving as a board in political parties and / or candidates / members of the legislative and / or a candidate or as head / deputy head of the regional administration. • Another position that may pose a conflict of interest related to the position with the Company. • Avoiding conflicts of interest that may affect the supervision of a Risk, Development & GCG Committee of PT Bio Farma (Persero).

MEMBERSHIP REQUIREMENTS AND INDEPENDENCE

The independency of the Audit Committee is stipulated in the Committee's Charter. The Charter requires the Committee's members to have the following qualifications:

1. Sound integrity, satisfactory skill, knowledge, and understanding in his field and able to communicate effectively.
2. At least one member of the Audit Committee must be trained or experienced in accounting or finance.
3. Satisfactory skill to read and understand financial statements.
4. Satisfactory knowledge on capital market regulations and other relevant regulations.

5. Able to communicate effectively.
6. Adequate time to fulfil his duties.
7. Not currently employed in a Public Accounting Firm, Legal Consultant Office, or other parties providing audit services, non-audit services, or other consulting services to the Company in the last 6 (six) months prior to appointment by the Commissioners.
8. Not in capacity to authorise and responsible for planning, leading, or controlling Company activities in the last 12 (twelve) months.
9. Not hold membership in the Audit Committee in other SOEs/Companies.
10. Does not have:
    a. aKinship from marriage and kinship up to the second degree, either horizontally or vertically, with the commissioners, directors, or primary shareholder of the Company; and/or,
    b. Business relations, both directly and indirectly, with relevance to the Company's business.

DUTIES AND RESPONSIBILITIES

In accordance with the Audit Committee Charter, the duties and responsibilities of the Audit Committee are:

1st July 2014 to 30th September 2015

1. The Audit Committee is duty-bound to provide opinions to the Board of Commissioners on reports or other issues submitted by the Directors, identify matters which require the Board of Commissioners' attention, and discharge duties pertaining to duties of the Board of Commissioners, such as:
    a. Ensure the effectiveness of internal control systems and effectiveness of external and internal auditors;
    b. Ensure the placement of satisfactory review procedures on information disclosed by the company for, among others, routine financial statements, projections/forecasts, and other financial information to be reported to shareholders;
    c. Assess the planning and audit results done by the IOU (internal auditors) and external auditors to ensure that the conduct and report of audits satisfies auditing standards;
    d. Offer recommendations to improve internal control systems of the company and the implementation of such;
    e. Identify matters requiring Board of Commissioners' attention;
    f. Conduct other duties assigned by the Board of Commissioners provided such duties are within the purview and responsibility of the Board of Commissioners.
2. The Audit Committee prepares annual programmes/work plans containing schedules and allocates required resources.
3. The Audit Committee must maintain the secrecy of documents, data, and information of the Company obtained in the discharge of its duties.

1st October 2015 to present

Primary Duties of the Audit Committee

1. Assist the Board of Commissioners in ensuring the effectiveness of internal control system and the execution of duties of the external and internal auditors.
2. Assess the execution of activities and audit results of the Internal Audit Unit and external auditors.
3. Provide a recommendation for the improvement of the management control system and related implementation.
4. Ensure the existence of a satisfactory evaluation procedure for the information released by the Company.
5. Identify issues that may require the attention of the Board of Commissioners and other duties of the Board of Commissioners.
6. Formulate the type and amount of honorarium, allowances and facilities that have been or will be given to the Board of Directors and the Board of Commissioners, to be submitted by the Board of Commissioners to the GMS.
7. Evaluate and analyze the remuneration system including the honorarium, allowances and facilities that have been or will be given to the management and employees.

Conduct other duties assigned by the Board of Commissioners, including but not limited to:

1. Regularly formulate and review the Audit Committee Charter.
2. Evaluate the the information released by the Company, including the financial statements, financial planning projection reports, work plan and budget reports, five-year business plans, management reports, and other information.
3. Review the Company's compliance with the prevailing regulations in all of its activities.
4. Review complaints or grievances related to the Company.
5. Review the adequacy of the internal audit function, including number of auditors, annual audit work plan, and assignments executed.
6. Review the adequacy of the external audit function, including audit plan and number of auditors.

Rights and Authorities

1. New members of the Audit Committee are oriented or introduced to the roles, responsibility, and framework of the Committee.
2. The Audit Committee receives authorities and assignments from the Board of Commissioners with consideration to regulations pertaining State-owned Enterprises.
3. In the discharge of its duties, the Audit Committee is authorized to access records or information on employees, funds, and other company resources relevant to its duties.
4. The Audit Committee, in accordance with Letters of Assignment from the Commissioners, has the right to access all Company information from the Directors, IOU, and every other company organ. The Audit Committee is required to study/seek clarification if there are cases/indications of irregularities.
5. The Audit Committee, with approval from the Commissioners, may request advice and assistance from experts and other professionals at the Company's expense.

Charter of the Audit Committee

In the discharge of its duties, the Audit Committee adheres to its Charter, ratified on 1st July 2014.

Activities of the Audit Committee in 2015.

In 2015, the Audit Committee has concluded the following duties in accordance with the Audit Committee Work Plan (ACWP) approved by the Board of Commissioners, as follows:

1. Drafted and discussed the Audit Committee Work Plan for 2015.
2. Discussed the Work Plan and Company Budget for 2015.
3. Discussed the 2014 Management Report and submitted Committee responses on the 2014 Company Management Report.
4. Evaluated the performance of duties by the PAF Djoemarma, Wahyudin & Rekan.
5. Evaluated the performance and appointment of PAF Djoemarma, Wahyudin & Rekan to conduct the general audit for the 2015 financial year.
6. GCG Self-assessment of PT Bio Farma (Persero).
7. Submitted the responses of the Audit Committee on Request and/or Transfer of damaged fixed assets or unproductive assets.
8. Provided suggestions to the Directors' request to conduct business trips abroad.
9. Audit Committee Evaluation on the Financial Statement of PT Bio Farma (Persero) for 2015.
10. Audit Committee Evaluation on the Management Report of PT Bio Farma (Persero) for 2015.
11. Provided suggestions to the Commissioners.

Summary Report of the Audit Committee's Activities

Audit Committee Activity

NO.	DATE	AGENDA
1	January 2015	Discussion of the Audit Committee 2015 Work Plan and Budget.
2	January 2015	Discussion of the PT Bio Farma 2015 Work Plan and Budget
3	January 2015	Technical Discussion of 2014 LMP and PKBL Report
4	February 2015	Assessment of the Duties Implemented by Public Accounting Firm Djoemarma, Wahyudin & Rekan
5	February 2015	Assessment of Performance and Proposal to Appoint Public Accounting Firm Djoemarma, Wahyudin & Rekan for the 2015 Fiscal Year General Audit.
6	February 2015	PT Bio Farma GCG Self Assessment
7	February 2015	Audit Committee Response to the Request for Approval of the Disposal or Transfer of Damaged or Unproductive Assets.
8	April 2015	Provide Input on the Board of Directors Request for Permission to Undertake Overseas Business Travel
9	April 2015	Audit Committee Assessment of the PT Bio Farma (Persero) First Quarter 2015 Financial Statement
10	April 2015	Audit Committee Assessment of the PT Bio Farma (Persero) First Quarter 2015 Management Report.
11	April 2015	Providing Input on the Board of Directors Request for Permission to Undertake Overseas Travel
12	April 2015	Providing Input on the Board of Directors Request for Permission to Undertake Overseas Travel
13	May 2015	Provide Response to the Request for Approval of the Disposal and/or Transfer of Damaged or Unproductive Assets.
14	May 2015	Providing Input on the Board of Directors Request for Permission to Undertake Overseas Travel
15	May 2015	Audit Committee Feedback on the Request for Approval of the Indonesia Eximbank KMKE Facility
16	June 2015	Synchronizing Depreciation of Fixed Assets Accounting Policy with the Company's Articles of Association
17	July 2015	Audit Committee Assessment of the PT Bio Farma (Persero) Second Quarter 2015 Financial Statement
18	July 2015	Audit Committee Assessment of the PT Bio Farma (Persero) Second Quarter 2015 Management Report.
19	September 2015	Review of Bio Farma Internal Audit Unit Results
20	September 2015	Review and Providing Input on the Draft PT Bio Farma RKAP for Fiscal Year 2016
21	October 2015	Audit Committee Assessment of the Request for Approval to Increase Paid up / Issued Capital in PT Bio Farma (Persero)
22	October 2015	Submission of Findings on Proposed PT Bio Farma (Persero) RKAP and RKA-PKBL for 2016
23	December 2015	Audit Committee Assessment of the Company's (Unaudited) 2015 Management Report

Meeting Frequency and Attendance

The Audit Committee conducted at least one meeting per month, both internally and with the Board of Commissioners, the Board of Directors, Head of the IAU, Division Heads, or External Auditors. Minutes of Audit Committee meetings are distributed to all meeting participants and presented to the Board of Commissioners. The Audit Committee may also be present at meetings of the Board of Commissioners or at joint meetings of the Board of Commissioners and the Board of Directors upon invitation.

Throughout 2015, the Audit Committee conducted six meetings, including internal meetings, meetings with the IAU, meetings with external auditors, meetings with risk management team, and attended the meetings of the Board of Commissioners and joint meetings of Board of Commissioners and the Board of Directors. The attendance of each member of the Audit Committee in these meetings is as follows:

NAME	POSITION	ATTENDANCE	% ATTENDANCE RATE
Paruli Lubis	Chairman	6 times	100.00%
Herman L. Djuni*			
End of term: KEP-10/DK/BF/09/2015 Dated 30 September 2015	Vice Chairman/Member	2 times	33.33%
Ihsan Setiadi Latief*			
Beginning of service SK Dekom No. : KEP-10/DK/BF/09/2015 Dated 30 September 2015	Vice Chairman/Member	3 times	50.00%
Abu Bakar			
Appointed under the Decree of the Board of Commissioners No. KEP-01/DK/BF/I/2014	Member (external)	6 times	100.00%
M. Asawir Harahap			
Appointed under the Decree of the Board of Commissioners No. KEP-15/DK/BF/VII/2014	Member (external)	6 times	100.00%

* According to number of meetings held during period of service

Audit Committee Meeting Agenda

2015 Audit Committee Meeting Agenda

DATE OF MEETING	VENUE	MEETING AGENDA	PARTICIPANTS	ATTENDANCE
23 February 2015	Jakarta Representative Office PT Bio Farma	KomiteAudit Committee response on PT Bio Farma (Persero)BOD request, according to Letter Number: 00888/DIR/II/2015 Dated 10 February 2015	Paruli Lubis	Present
			Herman L. DJune	Present
			Abu Bakar	Present
			M. Aswir Harahap	Present
27 April 2015	Pakarti Centre Representative Office PT Bio Farma	PT Bio Farma (Persero)PKBL Activities Report first quarter of 2015	Paruli Lubis	Present
			Abu Bakar	Present
			M. Asawir Harahap	Present
27 April 2015	Bandung Office PT Bio Farma	Audit Committee Evaluation on PT Bio Farma (Persero) Financial Report first quarter of 2015	Paruli Lubis	Present
			Herman L. DJune	Present
			Abu Bakar	Present
			M. Aswir Harahap	Present
22 July 2015	Bandung Office PT Bio Farma	Discussion on Financial Report first quarter of 2015	Paruli Lubis	Present
			Ihsan S. Latief	Present
			Abu Bakar	Present
			M. Aswir Harahap	Present
22 July 2015	Bandung Office PT Bio Farma	Discussion on LMP first quarter of 2015	Paruli Lubis	Present
			Ihsan S. Latief	Present
			Abu Bakar	Present
			M. Aswir Harahap	Present
22 October 2015	Bandung Office PT Bio Farma	Technical Discussion on LMP and PKBL Report third quarter of 2015	Paruli Lubis	Present
			Ihsan S. Latief	Present
			Abu Bakar	Present
			M. Aswir Harahap	Present

Remuneration for the Audit Committee

Remuneration of the Audit Committee is internally established by the Board of Commissioners of Bio Farma and further stipulated in the Decree of the Board of Commissioners No. KEP-15/DK/BF/VII/2014 dated 1st July 2014 and revised by the Decree of the Board of Commissioners No. KEP-07/DK/BF/08/2015 dated 27th August 2015.

The Audit Committee members receive remuneration consisting of honorarium and other facilities such as insurance. Members of the Audit Committee that are also members of the Board of Commissioners do not receive monthly honorarium and facilities. Members of the Audit Committee that are not members of the Board of Commissioners receive monthly honorarium whose amount si determined by the Decision of the Board of Commissioners according to the prevailing regulations, with all taxes paid by the Company, and these members not allowed to receive other types of income apart from the honorarium. All costs disbursed by the Audit Committee to carry out its duties are borne by the Company. The amount of remuneration for the Audit Committee is determined at the GMS, with the following

Income Determination of Audit Committee Members

NO.	TYPE OF INCOME	AMOUNT
1	Monthly honorarium for Audit Committee Members	20% X President Director Salary
2	Allowance National Holiday Allowance Communications Allowance Post-Service Allowance Transportation Allowance	None None None None
3	Facilities: Health Facility	None
4	Bonus/Incentive	None

Remuneration of Audit Committee in 2015

[In Rupiah]

	SALARY PER YEAR	ALLOWANCE PER YEAR	NET SALARY PER YEAR	TANTIEM + RELIGIOUS HOLIDAY ALLOWANCE	TOTAL
NAME	1	2	3 = 1 + 2	4	5 = 3 + 4
Paruli Lubis*	-	-	-	-	-
Herman L. Djuni*	-	-	-	-	-
Ihsan Setiadi Latief*	-	-	-	-	-
Abu Bakar	192,000,000,00	-	192,000,000,00	16,000,000,00	208,000,000,00
M. Asawir Harahap	192,000,000,00	-	192,000,000,00	16,000,000,00	208,000,000,00
Total	**384,000,000,00**	**-**	**384,000,000,00**	**32,000,000,00**	**416,000,000,00**

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of PT Bio Farma (Persero) was formed in 2011 following the mandate of Decree No. KEP-02/DK/BF/V/2011 dated May 12th, 2011 on the Establishment of the Nomination and Remuneration Committee of PT Bio Farma (Persero).

In 2012, the Nomination and Remuneration Committee of PT Bio Farma (Persero) was split into the Audit and Remuneration Committee and Risk and Nomination Committee in accordance with KEP-02/DK/BF/V/2012 dated January 20th, 2012 on the Appointment of the Risk and Nomination Committee of PT Bio Farma (Persero) and Decree No. KEP-10/DK/BF/XI/2012 dated November 22nd, 2012 on the Discharge and Appointment of the Chair and Deputy Chair of the Audit and Remuneration Committee.

As of December 31st, 2015, PT Bio Farma (Persero) does not have a Nomination and Remuneration Committee. As such, Bio Farma does not supply information on committee members' names/nominating function and/or remuneration, committee independence/nominating function and/or remuneration, job description and responsibilities, committee activities/nominating function and/or remuneration, committee meeting frequencies and attendances/nominating function and/or remuneration, statements on committee guidelines/nominating function and/or remuneration, and Directorial Succession policies.

AUDIT AND REMUNERATION COMMITTEE

In accordance with Decree No. KEP-10/DK/BF/IV/2013 dated April 15th, 2013, the Audit Committee was formed to assist the Board of Commissioners in its supervisory and regulatory duties, in addition to efficient, effective, and efficacious business governance of PT Bio Farma (Persero).

In order to limit the number of committees, Decree No. KEP-01/DK/BF/XI/2012 on the Appointment of the Audit and Remuneration Committee and Decree No. KEP-10/DK/BF/XI/2012 on the Discharge and Appointment of the Chair and Deputy Chair of the Audit and Remuneration Committee are rescinded.

The Audit and Remuneration Committee is changed into the Audit Committee following Decree No. KEP-10/DK/BF/IV/2013 dated April 15th, 2013.

RISK AND NOMINATION COMMITTEE

In accordance with Decree No. KEP-11/DK/BF/IV/2013 dated April 15th, 2013, the Risk Committee was formed to assist the Board of Commissioners in its supervisory and regulatory duties, in addition to efficient, effective, and efficacious business governance of PT Bio Farma (Persero).

In order to limit the number of committees, Decree No. KEP-01/DK/BF/XI/2012 on the Appointment of the Risk and Nomination Committee and Decree No. KEP-11/DK/BF/XI/2012 on the Discharge and Appointment of the Chair and Deputy Chair of the Risk and Nomination Committee are rescinded.

The Risk and Nomination Committee is changed into the Risk Committee following Decree No. KEP-11/DK/BF/IV/2013 dated April 15th, 2013.

In 2014, the nomenclature of the Risk Committee is changed into the Risk, Development, and GCG Committee following the issuance of the Decree of the Board of Commissioners No. KEP- 02/DK/BF/I/2014 dated January 15th, 2014.

SECRETARY OF THE BOARD OF COMMISSIONERS



Roslyn Sitohang
Secretary of The Board of Commissioners

Secretary of the Board of Commissioners The Secretary of the Board of Commissioners is currently held by Roslyn Sitohang. Graduated from STIAMI Jakarta in Business Administration. Born in Rapusan, North Tapanuli, North Sumatra in 1963. Before becoming Secretary of the Board of Commissioners of PT Bio Farma (Persero), has served in the Ministry of SOE as Head of Sub-Section of LAI Deputy of Strategic Industries and Manufacturing Businesses.

Secretary of the Board of Commissioners was established through the Decree of the Board of Commissioners No. 18/DK/XII/2012 to assist in the work, transparency, accountability, and the smooth implementation of the tasks of the Board of Commissioners. Criteria and procedures for appointment of the Secretary of the Board of Commissioners are stipulated in the Regulation of the Minister of SOE No. PER-12/MBU/2012 dated 24 August 2012 on the Supporting Organs of the Board of Commissioners of SOEs, which among other things requires the Secretary of the Board of Commissioners to hail from outside of the company, be appointed by the Board of Commissioners, understand aspects of corporate governance, and able to communicate effectively.

DUTIES AND RESPONSIBILITIES

The Secretary of the Board of Commissioners is responsible to the Board of Commissioners with the duties and responsibilities including:

1. Prepare meetings, including meeting materials of the Board of Commissioners.
2. Make the minutes of meetings of the Board of Commissioners in accordance with the Articles of Association.
3. Administer documents of the Board of Commissioners both incoming mail, outgoing mail, minutes of meetings, as well as other documents.
4. Develop Work Plan and Budget for the Board of Commissioners.
5. Make the draft for the reports of the Board of Commissioners.
6. Carry out other duties of the Board of Commissioners.
7. Ensure that the Board of Commissioners comply with legislation and apply the principles of GCG.
8. Provide information needed by the Board of Commissioners periodically or at any time when requested.
9. Coordinate Committee members The Board of Commissioners if necessary in order to facilitate the tasks of the Board of Commissioners.
10. Act as a liaison between the Board of Commissioners with other parties.
11. Ensure that all documents stored properly carrying out activities in the Company in order to administration and implementation of good corporate governance.

REMUNERATION FOR THE SECRETARY TO THE BOARD OF COMMISSIONERS

Remuneration for the Secretary to the Board of Commissioners is determined by the Decree of the Board of Commissioners of PT Bio Farma (Persero) No. KEP-06/DK/BF/08/2015 dated 27 August 2015 2015 On the Establishment of Honorariums, Allowances, and Facilities for Secretary of the Board of Commissioners of PT Bio Farma (Persero) for 2015. The remuneration received by the Secretary to the Board of Commissioners consists of honorarium, allowances, facilities, and bonus/incentive.

The remuneration received by the Secretary to the Board of Commissioners shall consist of an honorarium, allowances, facilities and bonuses/work incentives.

Determination of Remuneration for the Secretary to the Board of Commissioners

NO.	TYPE OF INCOME	AMOUNT
1.	Honorarium	15% of the remuneration for the President Director
2.	Allowance 1. National Holiday Allowance 2. Communications Allowance 3. Transportation Allowance 4. Post-Service Allowance	 1. 1 (one) take home pay per month 2. 5% of the monthly honorarium 3. Post-Service Insurance is given with the following conditions: a. Given while serving (from appointment to termination) b. Premium paid by the Company is maximum 25% of total honorarium in a year c. The term "Premium" or other similar terminology used for post-service insurance already includes premium for accidents and death.
3.	Facilities: 1. Health Facility 2. Legal Assistance	1. Secretary to the Board of Commissioners and his/her spouse and a maximum of 3 (three) children below 25 years old are eligible for heath facility given in the form of health insurance or reimbursement of medical expenses. Health facility is given in the form of: - Outpatient and medication - Inpatient and medication - Medical check-up inside the country of 1 (one) time each year. 2. In accordance with the Company's regulations
4.	Bonus/Incentive	In accordance with the Circular of the Deputy Minister of State-Owned Enterprises No. SE-03/MBU/Wk/2014
5.	Tax obligations	Income tax paid by the Company

All tax obligations such as income tax is borne by the Company, with the exception of the income tax for the bonus/ incentive, which is borne by the Secretary to the Board of Commissioners.

The remuneration received by the Secretary to the Board of Commissioners consists of honorarium, allowances, and other facilities such as insurance. The amount of remuneration for the Secretary to the Board of Commissioners is determined by the GMS with the details as follows:

Remuneration for the Secretary to the Board of Commissioners 2015

[In rupiah]

NAME	SALARY PER YEAR	ALLOWANCE PER YEAR	NET SALARY PER YEAR	TANTIEM&RELIGIOUS HOLIDAY ALLOWANCE	TOTAL
	1	2	3 = 1 + 2	4	5 = 3 + 4
Roslyn Sitohang	137,250,000,00	34,312,500,00	171,562,500,00	182,000,000,00	353,562,500,00
Total	**137,250,000,00**	**34,312,500,00**	**171,562,500,00**	**182,000,000,00**	**353,562,500,00**

OTHER COMMITTEES UNDER THE BOARD OF COMMISSIONERS

RISK, DEVELOPMENT, AND GCG COMMITTEE

Background of the Risk, Development, and GCG Committee

In accordance with Decree No. KEP-11/DK/BF/IV/2013 dated April 15th, 2013, the Risk, Development, and GCG Committee was formed to assist the Board of Commissioners in its supervisory and regulatory duties, in addition to efficient, effective, and efficacious governance based on the principles of good corporate governance.

The Risk Committee of PT Bio Farma (Persero) was formed in 2009 following the mandate of Decree No. KEP-033/DK/BF/V/2009 dated May 15th, 2009 on Risk Committee.

In 2012, the nomenclature of the Risk Committee is changed into the Risk and Nomination Committee following the issuance of the Decree of the Board of Commissioners No. KEP- 02/DK/BF/V/2014 dated January 20th, 2012 on the Appointment of the Risk and Nomination Committee of PT Bio Farma (Persero).

The legal basis of the Risk and Nomination Committee is Article 70 paragraph (3) of Law Number 19 Year 2003

on State-owned Enterprises. The Law requires the Board of Commissioners to form addition committees, in addition the audit committee, to assist the Board's supervisory duties and responsibilities. Organs of the Board of Commissioners, according to the Article 17 paragraph (1) of the SOE Ministerial Regulation No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance in SOEs, consists of:

1. Secretary to the Board of Commissioners, if required;
2. Audit Committee;
3. Other Committees, if required.

An additional committee formed by the Board of Commissioners is the Risk and Nomination Committee, considering that risk management is stipulated in detail in Article 25 of Decree No. PER-01/MBU/2011.

In 2013, the nomenclature of the Risk and Nomination Committee was changed into the Risk Committee following the issuance of the Decree of the Board of Commissioners No. KEP-11/DK/BF/IV/2013 dated April 15th, 2013 on the Appointment of the Risk Committee of PT Bio Farma (Persero).

In 2014, the nomenclature of the Risk Committee is changed into the Risk, Development, and GCG Committee following the issuance of the Decree of the Board of Commissioners No. KEP-02/DK/BF/I/2014 dated January 15th, 2014.

Appointment and Discharge of the Risk, Development, and GCG Committee

The mechanisms and procedures to appoint and discharge members of the Risk, Development, and GCG Committee are stipulated in the Committee's Guidelines.

The Board of Commissioners forms the Development, and GCG Committee to assist the Board in its duties, directly accountable to the Board of Commissioners. Membership of the Committee is decided reported to the GMS by the Board of Commissioners. A Committee member concurrently serving in the Board of Commissioners is automatically discharged following the expiry of his tenure in the Board.

The Risk, Development, and GCG Committee's mandate is recently renewed by the Decree of the Board of Commissioners No. KEP-06/DK/BF/II/2014 dated February 19th, 2014 on the Appointment of the Risk, Development, and GCG of PT Bio Farma (Persero).

The maximum term of office for the non-Commission members of the Risk, Development, and GCG Committee is 3 (three) years and may be extended once during 2 (two) office terms without prejudice to the Board of Commissioners' rights to discharge them at any time.

Composition of the Risk, Development, and GCG Committee

Members of the Risk, Development, and GCG Committee consists of Chair and Deputy Chair serving concurrently as Commissioners and 2 (two) independent parties.

Members of the Committee are not Bio Farma employees, customers, vendors, nor do they have any conflicting interests in Bio Farma. The Risk, Development, and GCG Committee, formed in 2013, is appointed by means of the Decree of the Board of Commissioners No. KEP-06/DK/BF/II/2014 dated February 19th, 2014. The Decree also changed the nomenclature of the Risk Committee into the Risk, Development, and GCG Committee. Composition of the Risk, Development, and GCG Committee is as follows:

1. Decree of the Board of Commissioners of Bio Farma No. KEP-033/DK/BF/V/2009 dated May 15th, 2009 on Risk Committee, Decree No. KEP-01/DK/BF/V/2010 dated May 14th, 2010 on Extension of Membership of the Risk Committee of PT Bio Farma (Persero)
2. Decree of the Board of Commissioners of Bio Farma No. KEP-01/DK/BF/V/2011 dated May 12th, 2011 on Extension of Membership of the Risk Committee of PT Bio Farma (Persero)
3. Decree of the Board of Commissioners of Bio Farma No. KEP-02/DK/BF/V/2012 dated January 20th, 2012 on Appointment of the Risk and Nomination Committee of PT Bio Farma (Persero)
4. Decree of the Board of Commissioners of Bio Farma No. KEP-11/DK/BF/XI/2012 dated November 22nd, 2012 on Discharge and Appointment of the Chair and Deputy Chair of the Risk and Nomination Committee
5. Decree of the Board of Commissioners of Bio Farma No. KEP-11/DK/BF/IV/2013 dated April 15th, 2013 on Appointment of the Risk Committee of PT Bio Farma (Persero)
6. Decree of the Board of Commissioners of Bio Farma No. KEP-19/DK/BF/XII/2013 dated December 31st, 2013 on Discharge of the Members of the Risk Committee of PT Bio Farma (Persero)

7. Decree of the Board of Commissioners of Bio Farma No. KEP-02/DK/BF/I/2014 dated January 15th, 2014 on Appointment of the Development, Risk, and GCG Committee of PT Bio Farma (Persero), revised by Decree No. KEP-06/DK/BF/II/2014 dated February 19th, 2014 on the Appointment of the Risk, Development, and GCG Committee of PT Bio Farma (Persero).

Composition Changes of the Risk, Development, and GCG Committee

1. In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-33/DK/BF/V/2009 dated May 15th, 2009 on the Risk Committee, the Committee is composed of:

NO.	NAME	POSITION
1	Triono Soendoro	Chairman
2	Dedy Sopyan	Member (eksternal)

2. In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-01/DK/BF/V/2010 dated May 14th, 2010 on the Extension of Membership of the Risk Committee for a period of 1 (one) year, as follows:

NO.	NAME	POSITION
1	Triono Soendoro	Chairman
2	Dedy Sopyan	Member (eksternal)

3. In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-02/DK/BF/V/2012 dated May 20th, 2012 on the Risk Committee, the Committee is composed of:

NO.	NAME	POSITION
1	Triono Soendoro	Chairman
2	Herman L. Djuni	Vice Chairman/Member
3	Dedy Sopyan	Member (eksternal)
4	Sawidjan Gunadi	Member (eksternal)

4. In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-11/DK/BF/XI/2012 dated November 22nd, 2012, membership of the Risk and Nomination Committee consists of 4 (four) members: 1 (one) concurrent Commissioner as Chair, Deputy Chair serving concurrently as member, and 2 (two) independent members. Composition of the Risk and Nomination Committee is as follows:

NO.	NAME	POSITION
1	Herman L. Djuni	Chairman
2	Nizar Yamanie	Vice Chairman/Member
3	Dedy Sopyan	Member (eksternal)
4	Sawidjan Gunadi	Member (eksternal)

In accordance with the Decree of the Board of Commissioners of Bio Farma (Persero) No. KEP-11/DK/BF/IV/2013 dated April 15th, 2013 on the Appointment of the Risk Committee of PT Bio Farma (Persero), the Committee is composed of:

NO.	NAME	POSITION
1	Herman L. Djuni	Chairman
2	Nizar Yamanie	Vice Chairman/Member
3	Sawijan Gunadi	Member (eksternal)
4	Dadang Epi Sukarsa	Member (eksternal)

5. In accordance with the Decree of the Board of Commissioners of Bio Farma No. KEP-19/DK/BF/XII/2013 dated December 31st, 2013 on Discharge of the Members of the Risk Committee of PT Bio Farma (Persero):

NO.	NAME	POSITION
1	Dedy Sopyan	Member (eksternal)
2	Sawidjan Gunadi	Member (eksternal)

6. In accordance with the Decree of the Board of Commissioners of Bio Farma No. KEP-02/DK/BF/I/2014 dated December 15th, 2014 on Discharge of the Members of the Risk, Development, and GCG Committee of PT Bio Farma (Persero):

NO.	NAME	POSITION	TENURE
1	Afrizal	Member (eksternal)	3 (tiga) tahun
2	Dadang Epi Sukarsa	Member (eksternal)	2 (dua) tahun

7. In accordance with the Decree of the Board of Commissioners of Bio Farma No. KEP-06/DK/BF/II/2014 dated February 19th, 2014 on Appointment of the Members of the Risk, Development, and GCG Committee of PT Bio Farma (Persero):

NO.	NAME	POSITION
1	Heridadi	Chairman
2	Nizar Yamanie	Vice Chairman /Member I
3	Ihsan Setiadi Latief	Vice Chairman/Member II
4	Afrizal	Member (eksternal)
5	Dadang Epi Sukarsa	Member (eksternal)

NAMES, POSITIONS, AND SHORT BIOGRAPHIES OF THE MEMBERS OF THE RISK, DEVELOPMENT, AND GCG COMMITTEE

In 2015, the composition of the Risk, Development, and GCG was changed following the Decree of the Board of Commissioners No. KEP-02/DK/BF/VII/2015. The Decree appointed Ihsan Setiadi Latief, formerly Second Deputy Chair of the Risk, Development, and GCG Committee, as Deputy Chair and concurrent member of the Audit Committee. M. Subuh assumed his former position.

Membership of the Risk, Development, and GCG Committee consists of 5 (four) members: 3 (two) concurrent Commissioners as Chair and Deputy Chair and 2 (two) independent members. Both Chair and Deputy Chair of the Audit Committee assumes office for 3 (three) years.

Audit Committee Composition are is follows:

Risk, Development and GCG Committee Composition period 19 February2014 - Current

NO.	NAME	POSITION	Letter of Decree
1	Heridadi	Chariman	KEP-06/DK/BF/II/2014 dated 19 February2014
2	M. Subuh**	Vice Chairman/Member I	KEP-02/DK/BF/VII/2015, dated 09 July 2015
3	Nizar Yamanie	Vice Chairman/Member II	KEP-06/DK/BF/II/2014 dated 19 February 2014
4	Ihsan Setiadi Latief*	Vice Chairman/Member III	KEP-06/DK/BF/II/2014 dated 19 February 2014 renewed with SK Dekom No: KEP-10/DK/BF/09/2015, dated 30 September 2015
5	Afrizal	Member (eksternal)	KEP-06/DK/BF/II/2014 dated 19 February 2014
6	Dadang Epi Sukarsa	Member (eksternal)	KEP-06/DK/BF/II/2014 dated 19 February 2014

* From the Risk, Development and GCG Committee to the Audit Committee
** Newly appointed as Risk, Development and GCG Committee.

QUALIFICATIONS & EXPERIENCES OF THE RISK, DEVELOPMENT, AND GCG COMMITTEE

Qualifications of the Risk, Development, and GCG Committee

Members of the Risk, Development, and GCG Committee must satisfy the following requirements:

a. Sound integrity and in-depth knowledge and experience on the tasks pertaining to the Risk, Development, and GCG Committee.
b. Not in a position where personal interests will cause adverse effects to and conflicts with the Company.
c. Sufficient knowledge in the Company's business area and adequate time to fulfil his duties.
d. Able to communicate effectively.

Qualifications and Competences of the Risk, Development, and GCG Committee



Heridadi
Chair of the Risk, Development, and GCG Committee

Profile can be seen in Profiles of the Board of Commissioners.



H.M. Subuh
First Deputy Chair and Concurrent Member of the Risk, Development, and GCG Committee

Profile can be seen in Profiles of the Board of Commissioners.



Nizar Yamanie
Second Deputy Chair and Concurrent Member of the Risk, Development, and GCG Committee

Profile can be seen in Profiles of the Board of Commissioners

Profiles of the Chair and Deputy Chairs of the Risk, Development, and GCG Committee can be seen in the Company Profile section in this year's Annual Report.



Afrizal
Risk, Development and GCG Committee Member

Born in Jakarta on 17 April 1960, graduated from the Faculty of Economics, University of Indonesia majoring in Accounting and from the tax policy administration with a graduate degree from the Faculty of Political Sciences, University of Indonesia. He has extensive work experience as the head of internal audit of University of Indonesia since 2008 until now and has occupied various positions such as director of accounting, audit manager at the University of Indonesia.



Dadang Epi Sukarsa
Risk, Development and GCG Committee Member

Born in Garut on 1 June 1960, graduated from the Faculty of Law of Padjajaran University, and from the Master Studies in Legal Studies at the Gadjah Mada University and is currently undertaking Legal Studies at the Faculty of Law of Padjajaran University. He has extensive experience teaching at the Faculty of Law of Padjajaran University since 1990 to the present, as well as the member of the Brand Appeal Commission, Directorate of Intellectual Property Rights, Ministry of Law and Human Rights

INDEPENDENCY OF THE RISK, DEVELOPMENT, AND GCG COMMITTEE

The independency of the Risk, Development, and GCG Committee is stipulated in the Committee's Charter. The Charter requires the Committee's members to:

a. To ensure independence in the discharge of its duties, members are chosen from outside the company and are not financially and managerially bound and/or hold shares in the Company.
b. Not in a position where personal interests will cause adverse effects and conflicts of interest to the Company.
c. Members of the Risk, Development, and GCG Committee from outside the Company are prohibited to have kinship or marital ties up to the third-degree horizontally and vertically with any members of the Board of Commissioners, Board of Trustees, and Directors.
d. Members of the Risk, Development, and GCG Committee from outside the Company shall not hold membership to other committees in other Companies.
e. If a member of the Risk, Development, and GCG Committee is from certain institutions, such institutions are prohibited to provide any service to the Company.

Statement of Independence from Potential Conflict of Interest By The Risk, Development and GCG Committee

Heridadi Nizar Yamanie H.M. Subuh Afrizal Dadang Epi Sukarsa	a. Has no financial, management and / or share ownership involvement b. Has no personal interest / involvement that could give rise to negative influences of conflict of interest with the relevant SOE. c. Has no familial relationship to the third degree either vertically or horizontally or any relationship arising through marriage with members of the Board of Commissioners and/or Directors, Major Shareholder and/or Controller. d. Has no role as committee member in another company. e. If members of the Risk, Development and GCG Committee are from another specific agency, then the agency where that member originates from should not provide services to the company. f. Conducts none of the following: • Serves on the board of a political party and/or is a candidate or serving legislator and/or candidate or serving regional government head or deputy. • Holds another position that could give rise to conflict of interest related to his role with the company. • Avoids conflicts of interest that could influence oversight of the PT Bio Farma (Persero) Risk, Development and GCG Committee.

DUTIES AND RESPONSIBILITIES

In accordance with its Charter, the duties and responsibilities of the Risk, Development, and GCG Committee are as follows:

The Risk, Development, and CGC Committee is responsible to the Board of Commissioners, including but not limited to the following areas:

1. Review and provide recommendations on the effectiveness of risk management performed by the Division of Compliance and Risk Management Company.
2. Review the risk assessment by the Division of Compliance and Risk Management of the investment plan of the material.
3. Supervise the activities of the Division of Compliance and Risk Management in monitoring the implementation of risk mitigation by related work units.
4. Supervise the implementation of the recommendations of Risk, Development and GCG Committee by the Division of Compliance and Risk Management.
5. Evaluate business development and expansion plans;
6. Supervise the implementation of GCG principles and policies and assist the Compliance and Risk Management Division (CRM) in regular GCG assessments by external parties;7.
8. A review of information risk and risk management company in the reports that will be published;
9. Discussion on significant risks on units in a corporate environment, as required.
10. Develop a system of assessment and nomination of candidates for the Board of Directors and the Board of Commissioners.
11. Provide evaluation and analysis of the system of selection, recruitment, and succession of the company's employees.
12. Formulate the types and amounts of salaries, honorariums, allowances, and facilities current and future for Directors and Board of Commissioners to be proposed to the GMS by the Board of Commissioners;
13. Evaluation and analysis of the payroll system, honorarium, allowances and facilities that have been/will be given to the level of management and employees.

Authorities

To support the discharge of its duties and responsibilities, the Committee is authorised to:

1. Access to all documents and unhindered, independent, and unlimited access to company policies on business development strategies, GCG implementation, risk management, and nomination and remuneration systems;
2. Cooperate with its managerial counterpart, including relevant Directors, and in particular the Compliance and Risk Management, HR, Corporate Strategy, Internal Oversight Unit, and other relevant Divisions in the Committee's capacity as Risk/Business Process Owner;
3. Review the functions of the Compliance and Risk Management Division, especially in coordinating the implementation and supervision of GCG principles and presence and effectiveness of ERM implementation in PT Bio Farma (Persero);
4. Request input from external professionals/ independent parties if required at the company's expense.

Charter of the Risk, Development, and GCG Committee

The Risk, Development, and GCG Committee bases its duties on its Charter, enacted on February 19th, 2014.

SUMMARY REPORT OF THE RISK, DEVELOPMENT, AND GCG COMMITTEE'S ACTIVITIES IN 2015

1. Conducted internal meetings for discussion and preparation of the Work Plan and Budget of the Risk, Development and GCG Committee 2015
2. Conducted review of corporate risk register in RKAP 2015.
3. Reviewed the risk management report 2015 to be issued by the Company.
4. Jointly discussed with the company's counterpart team and consultants on the GCG self-assessment evaluation of PT Bio Farma (Persero).
5. Monitored various potential risks faced by the Company.
6. Discussed plans to revise or update COSO-based ERM guidelines.
7. Conducted internal meetings to review and analyse Q1 2015 realisations of LTCP based on the Q1 2015 Management Report.
8. Drafted the RDG Committee report review on the Q1 2015 Management Report, containing responses and remedial recommendations so as the 2015 LTCP is met.
9. Discussed plans and development progress of vaccines and other products and their risks.
10. Conducted entry meeting on the assessment of PT Bio Farma (Persero) GCG implementation by the Finance and Development Supervision Body (FDSB) West Java Representative Office between 2014 and Q1 2015. Present at the meeting was the Board of Commissioners, Directors, Heads of Division, and Head of GCG.
11. Participated in internal meetings of the Board of Commissioners to discuss current issues in the company.
12. Discussed corporate risk register monitoring – delayed vaccine supply (contract was not signed in time).
13. Discussed the management's preparedness and plans to maintain and improve HR competence in anticipation to Bio Farma's developments in life sciences.
14. Discussed HR risk management monitoring in HR planning, careers and promotions, and performance and remuneration management processes.
15. Participated in internal meetings of the Board of Commissioners to prepare for PT Bio Farma's GCG assessment interviews - Board of Commissioners Aspects.
16. Discuss corporate risk register monitoring – risk of investment realisation not on schedule.
17. Discussed the risks of developing vaccine production and packaging facility, building 43, and preparedness of the production division to regulatory changes (eradication) of OPV vaccines.
18. Discussed corporate risk register monitoring – risk of unprepared production of bird flu/pandemic vaccines.
19. Discussed corporate risk register monitoring – risk of national and international (WHO) policy and requirement changes.

Activities of the Risk, Development and GCG Committee

NO.	PLACE, DATE	AGENDA
1	Bandung, 27 and 28 January 2015	Taking part in the PT Bio Farma (Persero) 2015 Working Meeting (Plan of Action) with the theme: "Biotech innovation for a better future"
2	Jakarta, 3 February 2015	Discussion on the Implementation of the 2015 Work Plan and Budget for the Risk, Development and GCG Committee
3	Jakarta, 5 February 2015	Internal meeting of the Risk Committee, the Audit Committee and Secretary to the Board of Commissioners discussing preparations for the implementation of GCG self assessment in PT Bio Farma (Persero), relating to the function and implementation of duties of the Board of Commissioners and the Committees of the Board of Commissioners in 2014
4	Jakarta, 7 February 2015	Internal meeting of the Risk Committee, Audit Committee and the Board of Commissioners to discuss the PT Bio Farma (Persero) 2014 GCG self assessment in preparation for GCG to be conducted by BPKP in mid-2015
5	Bandung, 12 February 2015	Discussion on Fulfilling the GCG Self Assessment Application Document in 2014
6	Jakarta, 16 to 18 February 2015	Consigning fulfillment of the GCG Self Assessment Application Document in 2014
7	Bandung, 31 March 2015	Risk Committee meeting with counterparts in the CRM Division and Team. a. Discussion on the preparation of the 2014 final risk management report and preparation to compile the 2015 corporate risk register; b. Discussion on required follow up for areas of improvement as a result of the GCG self assessment and GCG assessment preparation by BPKP.
8	Bandung, 27 April 2015	RPG Committee Meeting with the PT Bio Farma (Persero) Finance Director and CRM Division to discuss the revised plan or discuss COSO-based ERM guidelines
9	Jakarta, 7 May 2015	Internal meeting - review and analysis of PT Bio Farma management reports for the First Quarter of 2015 to collate the response and recommendations for operational improvements and company performance.
10	Jakarta, 12 June 2015	RPG Committee meeting with the PT Bio Farma (Persero) Finance Director, Planning and Development Director, CRM Division, Vaccine and Virus Production Division and Research and Development Division to discuss the planned development of vaccines and other products and the associated risks.
11	Bandung, 4 August 2015	Entry meeting to assess GCG from 2014 to Semester I of 2015 by BPKP – West Java representative
12	Bandung, 4 August 2015	Internal meeting with the Board of Commissioners to discuss the latest issues in PT Bio Farma (Persero)
13	Bandung, 5 August 2015	Meeting to discuss corporate risk - the risk of delays in vaccine supply (the contract could not be signed on time)
14	Bandung, 4 September 2015	Meeting to discuss management readiness to manage and human resource competencies in anticipation of the development of PT Bio Farma (Persero) into the field of life science and the planned development of research products in new fields. Meeting to discuss HR risks in the process of human resource planning, career and promotion, and performance management processes and remuneration.
15	Jakarta, 14 September 2015	Discussion to prepare for GCG application assessment interview BPKP for the year 2014 to semester I of 2015, relating to the function and implementation of duties by the Board of Commissioners and Board of Commissioners' Committees.
16	Jakarta, 13 October 2015	Discussion on the corporate risk register with the Counterpart team of the PT Bio Farma management the risk of investments being behind schedule.
17	Bandung, 26 November 2015	Discussion with the Counterpart team of the PT Bio Farma management. Discussion on risks related to the vaccine production and packing facility building construction, building 43. Discussion on the readiness of the Production Division in relation to the risk of OPV vaccine regulatory changes (eradication).
18	Bandung, 28 December 2015	Meeting to discuss the corporate risk register with company management counterparts. WHO policy and condition changes, Unpreparedness of production facilities for the influenza vaccine / pandemic.

MEETING FREQUENCY AND ATTENDANCE RATE OF THE RISK, DEVELOPMENT, AND GCG COMMITTEE

The Risk, Development and GCG Committee hold meetings at least once a month, led by the Chairman of the Committee. Decision Committee meeting is considered valid if approved by the Chairman of the Committee. Each Committee meeting shall be detailed in the minutes of meeting submitted to the Board of Commissioners no later than five (5) days after the meeting is held.

During 2015, the Risk, Development and GCG Committee held or attended 14 meetings. The entire meetings were held in accordance with the provisions of the duties and responsibilities of the Risk, Development and GCG Committee. Attendance of each member of the Committee in the meetings is as follows:

NO.	NAME	POSITION	ATTENDANCE	% ATTENDANCE
1	Heridadi	Chairman	14 times	100%
2	M. Subuh	Vice Chairman I/Member	5 times	35.71%
3	Nizar Yamanie	Vice Chairman II/Member	10 times	71.43%
3	Ihsan Setiadi Latief	Vice Chairman II/Member	8 times	57.14%
4	Afrizal	Member (external)	14 times	100%
5	Dadang Epi Sukarsa	Member (external)	14 times	100%

Risk, Development and GCG Committee Meeting Agenda

NO	DATE OF MEETING	VENUE	MEETING AGENDA	PARTICIPANTS	ATTENDANCE
1	3 February 2015	Pakarti Building, Jakarta	Discussion on Work Plan and Budgeting Implementation	Heridadi	Present
				Nizar Yamanie	Present
				Ihsan Setiadi Latief	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
2	5 February 2015	Pakarti Building, Jakarta	Discussion on GCG Self Assessment Implementation Preparation PT Bio Farma Related to Function and Duties of BOC and BOC Committees	Heridadi	Present
				Nizar Yamanie	Present
				Ihsan Setiadi Latief	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
3	6 February 2015	Pakarti Building, Jakarta	Discussion on GCG Self Assessment Implementation Preparation PT Bio Farma (Persero)	Heridadi	Present
				Nizar Yamanie	Present
				Ihsan Setiadi Latief	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
4	12 February 2015	Meeting Room PT Bio Farma	Discussion of Fullfilment of GCG *Self Assessment* year 2014 Applicationon Document	Heridadi	Present
				Ihsan Setiadi Latief	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
5	16-18 February 2015	Pakarti Building, Jakarta	Group Discussion on Fullfilment of GCG *Self Assessment* year 2014 Applicationon Document	Afrizal	Present
				Dadang Epi Sukarsa	Present
6	31 March 2015	Meeting Room PT Bio Farma	Discussion on the preparation of Risk Management final report 2014 and the preparation of the corporate risk register 2015. Discussion on the follow-up for area of improvements from GCG self assessment results and preparation plans for GCG assessment by BPKP	Heridadi	Present
				Ihsan Setiadi Latief	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
7	27 April 2015	Meeting Room PT Bio Farma	Discussion of the revision plans or guideline renewal based on COSO ERM.	Heridadi	Present
				Nizar Yamanie	Present
				Ihsan Setiadi Latief	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present

NO	DATE OF MEETING	VENUE	MEETING AGENDA	PARTICIPANTS	ATTENDANCE
8	7 May 2015	Pakarti Building, Jakarta	Formulation Analysis and LMP Review per 31 March 2015	Heridadi	Present
				Nizar Yamanie	Present
				Ihsan Setiadi Latief	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
9	12 June 2015	Meeting Room PT Bio Farma	Discussion on developments of vaccine and other products	Heridadi	Present
				Ihsan Setiadi Latief	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
10	5 August 2015	Meeting Room PT Bio Farma	Discussion on Monitoring Corporate Risk Register - Strategic Risk of Vaccine Supply Delay	Heridadi	Present
				Nizar Yamanie	Present
				M. Subuh	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
11	4 September 2015	Meeting Room PT Bio Farma	kepeningkatan Preparedness and management plan kepeningkatan management and HR competencies in anticipation of the development of PT. Bio Farma (Persero) in the field of life science and development plans of production and research in new fields. Human Resources risk management in the process of human resource planning, career and promotion, and performance management processes and remuneration.	Heridadi	Present
				Nizar Yamanie	Present
				M. Subuh	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
12	13 October 2015	Meeting Room PT Bio Farma	Discussion on Corporate Risk Register - risk investment realization is behind schedule.	Heridadi	Present
				Nizar Yamanie	Present
				M. Subuh	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
13	26 November 2015	Meeting Room PT Bio Farma	Discussion on risk of building projects vaccine production and packaging facilities, building 43. Discussion readiness production division of risk-related regulatory policy changes (eradication) OPV vaccine.	Heridadi	Present
				Nizar Yamanie	Present
				M. Subuh	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present
14	28 December 2015	Meeting Room PT Bio Farma	Discussion on risks of WHO requirements and policy changes Discussion on risks of limited production of bird flu vaccine / pandemic.	Heridadi	Present
				Nizar Yamanie	Present
				M. Subuh	Present
				Afrizal	Present
				Dadang Epi Sukarsa	Present

REMUNERATION FOR THE RISK, DEVELOPMENT & GCG COMMITTEE

Members of the Risk, Development and GCG Committee that are also members of the Board of Commissioners do not receive monthly honorarium and facilities.

Members of the Risk, Development and GCG Committee that are not members of the Board of Commissioners receive monthly honorarium whose amount determined by the Decision of the Board of Commissioners according to the prevailing regulations, with all taxes paid by the Company, and these members not allowed to receive other types of income apart from the honorarium. All costs disbursed by the Risk, Development and GCG Committee to carry out its duties are borne by the Company.

Determination of Remuneration for Members of the Risk, Development & GCG Committee PT Bio Farma (Persero)

NO.	TYPE OF INCOME	AMOUNT
1	Monthly honorarium for members of the Risk, Development & GCG Committee	20% of the remuneration for the President Director
2	Allowances:	None
	National Holiday Allowance	None
	Communications Allowance	None
	Post-Service Allowance	None
	Transportation Allowance	
3	Facilities:	None
	Health Facility	
4	Bonus/Incentive	None

The amount of remuneration Risk, Development and GCG Committee is determined based on the decision the Board of Commissioners with the following details:

Remuneration for the Risk, Development & GCG Committee in 2015

[in rupiah]

NAME	SALARY PER YEAR 1	ALLOWANCE PER YEAR 2	NET SALARY PER YEAR 3 = 1 + 2	TANTIEM&RELIGIOUS HOLIDAY ALLOWANCE 4	TOTAL 5 = 3 + 4
Heridadi*	-	-	-	-	-
Nizar Yamanie*	-	-	-	-	-
Ihsan Setiadi Latief*	-	-	-	-	-
H.M.Subuh*	-	-	-	-	-
Afrizal	192,000,000,00	-	192,000,000,00	16,000,000,00	208,000,000,00
Dadang Epi Sukarsa	192,000,000,00	-	192,000,000,00	16,000,000,00	208,000,000,00
Total	**384,000,000,00**	**-**	**384,000,000,00**	**32,000,000,00**	**416,000,000,00**

The Directors have formed the following teams on GCG implementation:

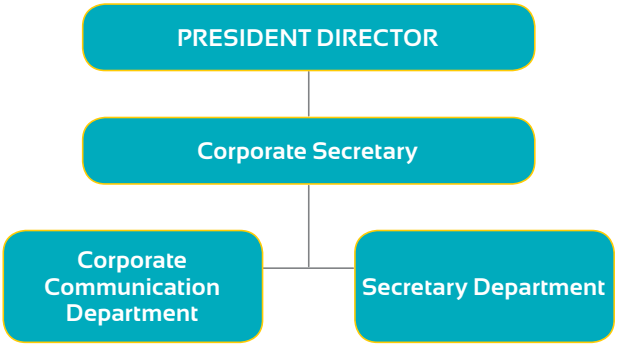
1. The Counterpart Assessment Team on Implementation of Good Corporate Governance (GCG) consisting of External Parties, in accordance with the Directorial Decree of PT Bio Farma (Persero) No. 00163/DIR/I/2015 dated January 9th, 2015.
2. The PT Bio Farma (Persero) 2015 Annual Report and Sustainability Report Drafting Team, in accordance with the Directorial Decree of PT Bio Farma (Persero) No. 00095/DIR/I/2015 dated January 11th, 2016.
3. The 2015 Prime Performance Evaluation Criteria (PPEC) Implementation Report Drafting Team and the Prime Performance Evaluation Criteria (PPEC) Implementation Internal Evaluation Team, in accordance with the Directorial Decree of PT Bio Farma (Persero) No. 00164/DIR/I/2015 dated January 9th, 2015. The Decree is amended by Directorial Decree No. 04276/DIR/VI/2015 on the Amendment of the Directorial Decree of PT Bio Farma (Persero) No. 00164/DIR/I/2015 on the Establishment of the 2015 Prime Performance Evaluation Criteria (PPEC) Implementation Report Drafting Team and the Prime Performance Evaluation Criteria (PPEC) Implementation Internal Evaluation Team.
4. The Whistleblowing System (WBS) Management Team on Implementation for Suspected Violation Complaints by Employees, in accordance with the Directorial Decree of PT Bio Farma (Persero) No. 04043/DIR/IX/2014 dated September 4th, 2014.

CORPORATE SECRETARY



M. Rahman Roestan
Company Secretary

Born in Bandung in 1970, obtained his Bachelor of Pharmacy and license to work as a Pharmacist from the University of Padjadjaran, Bandung. Earned the Master of Business Administration (MBA) degree from ITB and is currently continuing the Doctorate Program in Strategic Management at the University of Padjadjaran. Joined PT Bio Farma (Persero) in 1998, and has held various structural positions such as Head of Formulations and Packaging, Head of Quality Assurance System, and Head of Production Planning and Control Division. Since 2009, he has been serving as a Management Representative for the integrated management system. Active in the Indonesian Pharmaceutical Association, Indonesian Pharmacists Association, and is active at the Indonesian Quality Award Foundation (IQAF) as Examiner for the Malcolm Baldridge Criteria for Excellence. Since 2012 he has been included as a delegation to the International Meeting of Occupational Health at the World Health Organization (WHO) in Geneva and Organization of Islamic Cooperation (OIC) forum .



DESCRIPTION AND DUTIES AND FUNCTIONS OF THE CORPORATE SECRETARY

The Corporate Secretary of Bio Farma performs three main functions. The first function is as the Gate Keeper, with a responsibility for analyzing the corporation systems that have been implemented and new systems/standards that need to be implemented in an integrated management system. The second function is as a Compliance Adviser, with a responsibility for providing studies and recommendations to the management in GRC (Governance, Risk, Compliance/ legal aspects). The third function is as the Corporate Agenda, with the responsibility for coordinating the Company's agenda and collaboration with other agencies in the national, regional and international scope.

The Corporate Secretary plays an important role in facilitating communication between the Company and all stakeholders. The Corporate Secretary is also responsible for ensuring adherence to laws and regulations, as well as the disclosure of the Company. The Corporate Secretary is directly responsible to the President Director and assists the Board of Directors in complying with good corporate governance.

The Corporate Secretary acts as the representative of the Company in dealing with shareholders, is responsible for the administration of documents and minutes of meetings, policy formulation, planning and control of corporate communications with stakeholder relationships, the public, and internal parties. The Corporate Secretary of Bio Farma is in charge of two areas, namely Corporate Communications and the Secretariat.

Appointment and Dismissal of The Corporate Secretary

In accordance with the Regulation of the Minister of State- Owned Enterprises No. PER-01/MBU/2011 Article 28 (3), the Corporate Secretary is appointed and dismissed by the President Director, with the approval of the Board of Commissioners. The Corporate Secretary of PT Bio Farma (Persero) as at the end of 2014 was M. Rahman Roestan, who was appointed based on the Decree No. 341/TK/ASDM/IV/2008 dated 2 June 2008.

Educational Qualification & Competence of The Corporate Secretary

The Corporate Secretary of PT Bio Farma (Persero) has met all job competence requirements, is able to build rapport and working relationship as well as having an analytical mindset and is able to think conceptually. The Company Secretary is responsible for ensuring an integrated management system and corporate agenda can be managed effectively and efficiently through the planning, implementation and monitoring functions and compliance advisor as well as gate keeper.

Corporate Secretary in The Organizational Structure

According to the Decree of the Board of Directors No. 02491/DIR/VI/2014 dated 2 June 2014 on the Organizational Structure of PT Bio Farma (Persero) in 2014, the position of the Corporate Secretary is under the President Director. The Corporate Secretary is to perform three main functions, namely:

1. As the Gate Keeper, with a responsibility for analyzing the corporation systems that have been implemented and new systems/standards that need to be implemented in an integrated management system.
2. As a Compliance Adviser, with a responsibility for providing studies and recommendations to the management in GRC (Governance, Risk, Compliance/ legal aspects).
3. As the Corporate Agenda, with the responsibility for coordinating the Company's agenda and collaboration with other agencies in the national, regional and international scope.

Working Guidelines for The Corporate Secretary

The Working Guidelines for the Corporate Secretary of PT Bio Farma (Persero) are based on the Regulation of the Minister of State-Owned Enterprises No. PER-01/ MBU/2011 on the Implementation of Good Corporate Governance in State-Owned Enterprises.

DUTIES AND RESPONSIBILITIES OF THE CORPORATE SECRETARY

Description of Duties and Responsibilities of the Corporate Secretary

The duties and responsibilities of the Corporate Secretary are regulated in the Job Description and & Job Specification Document Rev #02 dated 22 June 2012, to be, among others:

1. Acts as the representative of the Company and a liaison officer between the Company and all stakeholders to communicate the activities of the Company accurately and on a timely manner.
2. Directs all aspects in the organization of the GMS, so the GMS runs well and smoothly.
3. Determines the strategy and implement corporate communication program for various audiences domestically and overseas so the reputation of Bio Farma can be properly maintained.
4. Controls the delivery of information about the Company's performance and corporate actions to the concerned parties.
5. Analyzes and oversees the management of communication strategies to build a corporate image based on key performance indicators.
6. Delivers the Company's Annual Report and Financial Report periodically to the Board of Directors and Commissioners.
7. Coordinates the implementation of Board of Directors meetings, Board of Directors meetings with the Board of Commissioners and Annual General Meeting of Shareholders, coordinates the minutes of the meetings as well as controls the Board of Directors secretarial administration.
8. Acts as the Management Representative for the ISO, OHSAS, ERM, and IFRS integrated management systems.
9. Coordinates, monitors, and evaluates aspects of GCG and regulation with the Company's risk activities.

In relation to the tasks of evaluating aspects of corporate governance, the Corporate Secretary provides advice and recommendations to the management with an aim to improve and complement the corporate. governance policies such as the Code of Conduct, GCG Policy, Guidelines for Implementation and Internal Assessment of Good Corporate Governance, Internal Audit Charter and Audit Committee Charter. To support the Company's vision of becoming a world-class manufacturer of vaccines with global competitiveness, the Corporate Secretary assumes the strategic task of representing the Company to actively participate in various international forums such as the World Health Organization (WHO), the Organization of Islamic Cooperation (OIC), DCVMN, GAVI, and others.

Execution of Duties of the Corporate Secretary

As the Gate Keeper, with a responsibility for analyzing the corporation systems that have been implemented and new systems/standards that need to be implemented in an integrated management system.

As a Compliance Adviser, with a responsibility for providing studies and recommendations to the management in GRC (Governance, Risk, Compliance/ legal aspects).

As the Corporate Agenda, with the responsibility for coordinating the Company's agenda and collaboration with other agencies in the national, regional and international scope.

TRAINING PROGRAMMES TO IMPROVE THE COMPETENCES OF THE CORPORATE SECRETARY

In order to bolster the performance of the Corporate Secretary and expands the insight in Good Corporate Governance, in 2015 the Corporate Secretary participated in the following training programs:

Competency Development Program of Corporate Secretary

NO	PROGRAM	DATE	VENUE
1	New Product Development Professional Certification	16-18 March 2015	Jakarta
2	Workshop Distinc Job Profile	19 March 2015	Bandung
3	Seminar on Regulation of Halal Products Guarantee	10 June 2015	Jakarta
4	BUMN Alignment	6 August 2015	Bekasi
5	5th National Vaccince Research Forum	26-27 August 2015	Jakarta
6	Awareness Sistem Manajemen Informasi Based on ISO 27001:2013	22 September 2015	Bandung
7	Global Advance Research Conference on Management and Business Studies	14-15 October 2015	Bali
8	Workshop Disctinc Job Profile Finalization, Competence and KPI Detirmination	10-11 December 2015	Bandung

Internal Media Publications 2015

NO.	DATE	TOPIC	MEDIA
1.	January - March 2015	Biotechnology for Sustainability, Embarks in 2020	Bio Magz
2.	April-June 2015	National Innovation Forum 2015	Bio Magz
3.	Juli-September 2015	Vaccination Awareness Campaign	Bio Magz
4.	October - December 2015	Bio Farma Gold PROPER and Primaniyarta Achievements	Bio Magz

Corporate Secretary Performance Evaluation in 2015

The Corporate Secretary has carried out the strategies and the work plans related to the disclosure of information to investors and the public. In implementing GCG internalization, the Corporate Secretary has carried out various activities that together help integrate the culture of GCG implementation in the entire Bio Farma environment. The Corporate Secretary's performance is evaluated against a set of Key Performance Indicators (KPI). The Corporate Secretary's KPI achievement in 2015 is as follows:

Key Performance Indicators (KPI) Realization of Coroporate Secretary 2015

Indicator	Targeted	Formula	Unit	Weight	Value (%)	Score
A. Routine						
Ensuring the management of Public Information, Ensuring the preparation of the 2014 Annual Report and Sustainability Report	No later than 3 months after the Company received the Audited Reports	Realization/ Target	%	15	100%	15.00
Ensuring positive and harmonious relationships with all stakeholders of the Company	15% brand awareness improvement	Realization/ Target	%	15	90%	13.50
Ensuring improvement and management of corporate iage in the country and globally through all communication channels	10% positive news improvement	Realization/ Target	%	15	90%	13.50
Coordinating and overseeing the implementations of events involving both domestic and foreign parties (National Vaccine Research Forum, 2nd meeting of OIC, Education Seminar, Young Ambassador Program)	Implementation of at least 1 event	Realization/ Target	%	15	100%	15.00
Ensuring the preparation and updates of Company documentation (video profile, company profile, safety video, others)	No later than December 2012	Realization/ Target	%	10	100%	10.00
Reviewing and responding to correspondence with stakeholders, as well as to plan, coordinate and control Corporate Secretarial activities.	No less than 75% submitted in 2 (two) working days	Realization/ Target	%	10	90%	9.00
Sub Total				80		76.00
B. Non Routine						
Implementation of an integrated Quality Management System	System Management Integration	Realization/ Target	%	10	100%	10.00
2015 Investment Realization	No less than 75% can be realized in the current year	Realization/ Target	%	10	75%	7.50
Sub Total				20		17.50
Total				100		93.50

GENERAL MEETING OF SHAREHOLDERS (GMS)

The General Meeting of Shareholders (GMS) is a mechanism for Shareholders to convene and make important decisions regarding the share ownership of the Company. The GMS is a company organ which has authorities that are not granted to the Board of Directors or Board of Commissioners in accordance with the Law or the Articles of Association of the Company. The GMS has the authority to appoint and dismiss members of the Board of Commissioners and Board of Directors, evaluate performance and request for accountability of the Board of Commissioners and the Board of Directors in the management of the Company, approve amendments to the Articles of Association, approve Annual Reports, determine profit allocation, appoint the public accountant and determine amount and type of compensation for the Board of Commissioners and the Board of Directors.

Decision-making in the GMS is carried out in a fair and transparent manner. Furthermore, in decision-making, the GMS pays attention to and considers important issues related to the Company's long-term interests and other interests in the Company. The GMS or the Shareholders do not have authority to intervene in the roles, functions and authorities of the Board of Commissioners and/or the Board of Directors. However, this does not diminish GMS authority to exercise its rights and obligations in accordance with the Articles of Association and the Law.

TYPES OF GMS BASED ON LAWS OF THE COMPANY

1. Annual GMS

   The Annual GMS is called every year, consisting of:
   a. GMS on approval of annual reports, held in June at the latest following closing of accounts of the given year.
   b. GMS on approval of the Company's Planned Activities & Budget, held 30 (thirty) days at the latest following the start of the financial year of the given PACB.

2. Extraordinary GMS

   Extraordinary GMS may be called at any time in accordance with the Company's needs.

SHAREHOLDERS

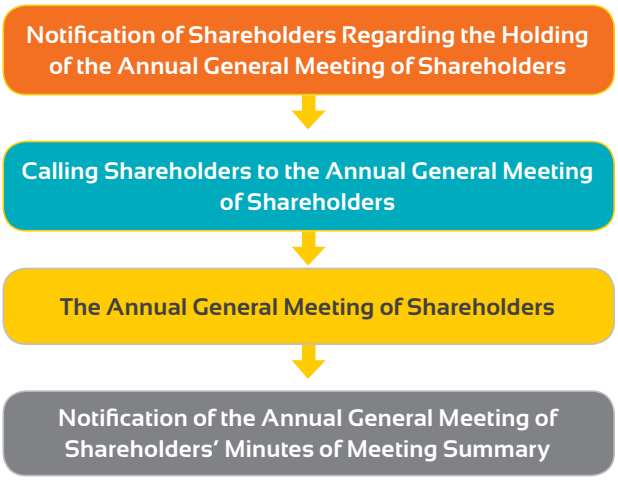
Shareholders are individuals or legal entities who legitimately own the company's shares. Shareholders shall not intervene in the functions, duties, and authorities of the Board of Commissioners and Directors. The GMS is a forum for shareholders to make the appropriate, transparent decisions in and for the long-term interests of the company. In the GMS, shareholders have the authority to exercise their rights in accordance with the Bylaws of the Company and prevailing regulations.

SHAREHOLDERS' RIGHTS

1. May only be owned by the Government of the Republic of Indonesia
2. May call for an Extraordinary GMS
3. Propose, approve, appoint, and discharge the Board of Commissioners and Directors elected in the GMS.
4. Approve amendments to the Articles of Association of the Company.
5. Approve changes to the amount of capital
6. Approve the merger, consolidation, acquisition, division, and dissolution of the Company
7. Obtain the Company's financial statements.
8. Receive profit shares in the form of dividends disbursed by the Company
9. Receive net assets disbursed by the Company.
10. Form subsidiaries or investments.

Implementation Stages of the GMS

Annual GMS



Extraordinary General Meeting



GMS Decisions in the Preceding Year

GMS Meeting and Agenda in 2015 and Its Decisions

In 2015, Bio Farma has called 2 GMS meetings, as follows:

1. 1 (one) GMS on Endorsement of Planned Activities & Company Budget and Working Plan & Budget (WPB) of the Partnership and Environmental Sustainability (PES) of 2015 and Management Contract between the Board of Commissioners and Directors and Power-of-Attorney of Shareholders;
2. 1 (one) GMS on Approval of Annual Report & Endorsement of Financial Statement Report of 2014.

Details of the discussion and decision of the 2015 GMS agenda are as follows:

1. GMS on Endorsement of Planned Activities & Company Budget and Working Plan & Budget (WPB) of the Partnership and Environmental Sustainability (PES) of 2015 and Management Contract between the Board of Commissioners and Directors and Power-of-Attorney of Shareholders was held on Friday, January 16th, 2015 at the Ministry of State-owned Enterprises Building, Jalan Medan Merdeka Selatan No. 13, Jakarta Pusat.

   THE GMS discussed:

   a. The Endorsement of Planned Activities & Company Budget and Working Plan & Budget (WPB) of the Partnership and Environmental Sustainability (PES) of 2015.
   b. The establishment of Key Performance Indicators (KPI) stipulated in the Management Contract of 2015 between the Board of Commissioners and Directors and Shareholders.
   c. The establishment Operational Aspect Indicators on Calculation of Health Ratings of the LTCP of PT Bio Farma (Persero) for 2015.
   d. The establishment of Key Performance Indicators (KPI) of the Board of Commissioners for 2015.

   The decisions reached in the meeting according to the Minutes of the Annual General Meeting of Shareholders of PT Bio Farma (Persero) on the Endorsement of PACB and PES WPB for 2015 No. RIS-01/RUPS/BF/I/2015 are as follows:

   a. Endorsed the 2015 PACP and PES WPB.
   b. Established Key Performance Indicators (KPI) formulated in accordance with Prime Performance Evaluation Criteria (PPEC) and stipulated in the Management Contract of 2015 between the Shareholders, Directors, and Board of Commissioners of PT Bio Farma (Persero).

c. Established operational aspect indicators on calculation of health ratings of the LTCP of PT Bio Farma (Persero) for 2015.
d. Established Key Performance Indicators (KPI) of the Board of Commissioners for 2015.

2. GMS on the Endorsement of Financial Statement and Partnership and Environmental Sustainability (PES) Activity Report of PT Bio Farma (Persero) of the 2014 Financial Year. The GMS was held on Wednesday, May 13th, 2015 at the Ministry of State-owned Enterprises Building, Jalan Medan Merdeka Selatan No. 13, Jakarta Pusat.
   The GMS discussed:
   a. The Endorsement of the Annual Report in the conduct and operation of the Company in the 2014 Financial Year and Supervisory Report of the Board of Commissioners in the 2014 Financial Year and Endorsed the Financial Statement of the Company for 2014. In addition, the meeting acquits and discharges the full responsibilities of the Directors and Board of Commissioners' managerial and supervisory duties in the 2014 financial year.
   b. The Endorsement of the Annual Report on Partnership and Environmental Sustainability (PES) Programme in the 2014 Financial Year. In addition, the meeting acquits and discharges the full responsibilities of the Directors and Board of Commissioners' managerial and supervisory duties in the 2014 financial year.
   c. The establishment of the allocation of Net Profit of the Company in the 2014 Financial Year.
   d. The establishment of Salaries/Honorariums, Allowances, and Facilities for Directors and Board of Commissioners of the Company in the 2015 Financial Year and Tantiem in the 2014 Financial Year.
   e. The appointment of a Public Accounting Firm to audit the Financial Statement of the Company in the 2015 Financial Year and Report on Partnership and Environmental Sustainability (PES) Programme in the 2015 Financial Year.

   The decisions reached in the meeting according to the Minutes of the Annual General Meeting of Shareholders of PT Bio Farma (Persero) on the Endorsement of Financial Statement and Partnership and Environmental Sustainability (PES) Activity Report of PT Bio Farma (Persero) of the 2014 Financial Year No. RIS-02/RUPS/V/2015 are as follows:
   1. Endorsed the Annual Report submitted by the Directors on the conduct and operation of the Company in the 2014 Financial Year, including the Supervisory Report of the Board of Commissioners in the 2014 Financial Year.
   2. Endorsed the Financial Report of the Company in the 2014 Financial Year audited by the PAF Djoemarna, Wahyudin & Rekan, in accordance with its report No. 358/LAI.14.BF/DWR/2015 dated February 2nd, 2015 and opinion "appropriate in all material matters." The meeting also meeting acquitted and discharged the full responsibilities of the Directors and Board of Commissioners' managerial and supervisory duties in the 2014 financial year provided that such duties are recorded in the Company's books and not in contravention of prevailing regulations.

- Approved the Partnership and Environmental Sustainability (PES) Programme in the 2014 Financial Year audited by the PAF Djoemarna, Wahyudin & Rekan, in accordance with its report No. 359/LAI.14.BF-PKBL/DWR/2015 dated February 6th, 2015 and opinion "appropriate in all material matters." The meeting also meeting acquitted and discharged the full responsibilities of the Directors and Board of Commissioners' managerial and supervisory duties in the 2014 financial year provided that such duties are recorded in the Company's books and not in contravention of prevailing regulations.

3. Allocated the Net Profit of the Company in the 2014 Financial Year amounting to Rp580,073,743,000 for the following purposes:
   - Dividends amounting to 25% or Rp145,015,000,000;
   - Reserves amounting to 75% or Rp435,058,743,000
4. Established salaries/honorariums, allowances, and facilities for Directors and Board of Commissioners of the Company in the 2015 Financial Year, including the Tantiem for the 2014 Financial Year which shall be established separately in accordance with a Letter from the SOE Minister as GMS.
5. The GMS reappointed the PAF Djoemarma, Wahyudin & Rekan as the independent auditor to audit the Financial Statement of the Company and Financial Statement of PES of the 2015 Financial Year.

FULFILLMENT OF THE GMS RESOLUTIONS IN THE YEAR

Bio Farma has acted upon the directives given at the General Meeting of Shareholders in relation to the approval of the 2014 Annual Report

a. Bio Farma has recorded the 2014 net income of Rp582.19 billion to be distributed as follows:
   - Dividend of 30% or Rp 145.01 billion.
   - Reserve of 70% or Rp 435.06 billion.
   - Annual bonus for the Directors: 90% of the annual bonus for the President Director.
   - Annual bonus for the President Commissioner: 40% of the annual bonus for the President Director.
   - Annual bonus for the Commissioners: 36% of the annual bonus for the President Director.

b. Bonus for the Board of Directors and the Board of Commissioners of PT Bio Farma (Persero) has been distributed.

c. The determination of salary for the President Director, the salary/honorarium for Directors, President Commissioner, and Commissioners as per the GMS resolution has been implemented.

d. The KAP Djoemarma, Wahyudin & Rekan has been appointed to audit the Company's Financial Statements and its CSR Programs' Financial Statements for FY2015.

Follow-Up to the Shareholders' Directives

In order to improve the implementation of good corporate governance, the Board of Directors and the Board of Commissioners have followed up the Directives of the GMS, as follows:

Follow Up on Annual General Meeting Decisions / Guidance dated 16 January 2015 regarding the 2015 Company Work Plan & Budget (RKAP) and the Work Plan & Budget for the Partnership & Community Development Program (RKA-PKBL)

NO	SHAREHOLDER GUIDANCE	STATUS		NOTES	DEADLINE
		COMPLETED	INCOMPLETE		
1	In follow up to SOE Ministerial Decree No. PER-18/MBU/2014 dated 16 October 2014 on the electronic submission of Data, Reports, SOE documents (e-reporting), to support the implementation of duties and improve the quality of supervision and guidance of SOEs, the Board of Directors shall monitor and update data on five (5) SOE portals, namely the Financial Information System portal, Asset portal, HR portal, PKBL portal and Public portal.	V	-	The Board of Directors is consistently updating the data on the SOE Ministry website and has formed the PT Bio Farma Portal Management Team, which periodically monitors and updates data on the five (5) SOE portals, namely Financial Information System portal, Asset portal, HR portal, PKBL portal and Public portal. Data and Report Submission is done electronically through the SOE Ministerial Portal.	-
2	To improve the company's performance and competitiveness through effective and efficient implementation of information technology and the use and development of IT in SOEs, the Board of Directors shall immediately draw up a corporate IT master plan no later than 2015 and implement IT governance as part of Enterprise Governance with attention to the Guidelines for Developing IT Management in SOEs and periodically report on the monitoring and evaluation results of the IT master plan implementation in the SOE Management Report in accordance with PER-02/MBU/2013.	V	-	The PT Bio Farma 2013-2017 IT Master plan has been created and has been approved by the Board of Commissioners. The IT master plan format has been adapted to the format decreed in PER-02/MBU/2013. IT master plan monitoring reports are listed in the Routine Semester and Annual IT Division reports.	-
3	Investments should be supported by adequate planning, such as feasibility studies that also include a financing scheme and project implementation timeframe.	V	-	Reviews of planned investments are conducted every month and reported to the Board of Directors and relevant divisions.	-
4	The Board of Directors shall increase the role and function of state-owned enterprises as agents of development to support government programs, especially in realizing food security, in addition to continue to enhance commercial activities as a corporate function that should contribute to earnings.	V	-	The company has improved coordination with the Health Ministry to support the national health program, and CSR cooperation related to the national food program. The company has also increased marketing cooperation with domestic and overseas parties to increase profits.	-
5	The Board of Directors shall remain focused on the core business by improving efficiencies and effectiveness in operational management. Furthermore, business development investment should be directed to the development of downstream products in line with the company's core business.	V	-	Investment in production building construction for downstream products has already begun and equipment investment has entered the procurement and fabrication stage.	-
6	The Board of Directors shall conduct benchmarking with other companies in similar industries at home and abroad, to identify the company's position in the industry, in order to stimulate improved performance and competitiveness in the company.	V	-	Benchmarking implementation preparation is aligned with the KPKU requirement, which includes all the data presented in Category 7, in this case the CRM department acting as collector / gatherer of benchmark data identified by relevant Divisions.	-
7	The Board of Directors shall submit financial statements for fiscal year 2014 that have been audited by a Public Accounting Firm no later than the end of February 2015.	V	-	The Audited 2014 Financial Report was submitted to the Shareholders on 27 February 27 2015..	-

NO	SHAREHOLDER GUIDANCE	STATUS		NOTES	DEADLINE
		COMPLETED	INCOMPLETE		
8	The Board of Directors shall thoroughly follow up on matters identified by the auditors, both In the internal audit by the IAU and the external audit by the public accounting firm and the BPK, related to the company's operations and compliance with legislation.	V	-	Matters identified in the internal audit (IAU) have been largely followed up, however, some are still in process. The findings identified in the external audit (public accounting firm) will promptly be followed up in 2015, while the remaining one (1) BPK finding is still in the process of completion.	-
9	The Board of Directors shall gradually prepare KPI for each level of management, with reference to the Key Performance Indicators (KPI) set forth in the agreed Management Contract.	V	-	The Human Capital Division is determining KPIs for each level of management by referring to the Performance Management rules and calculations. In addition, the KPIs for each level of management prepared in 2015 will be aligned with the company's strategy and objectives presented by the Top Management, as well as the KPIKU requirements and GCG assessment, which are derived from the agreed upon Management Contract.	-
10	The Board of Directors shall prepare anticipatory measures in the face of highly significant changes to assumptions through a sensitivity analysis.	V	-	Changes to the assumptions used to prepare the RKAP are always reviewed in accordance with APBN budget assumptions and the impact on the company.	-
11	The bonus budget for the Board of Directors and Board of Commissioners shall be presented in a separate account from management costs.	V		The bonus budget for the Board of Directors and Board of Commissioners has been budgeted under Board of Directors Expenses and Board of Commissioners Expenses.	-
12	The Board of Directors shall minimize those risks to companies that are often constraints to company progress, such as increasing global competition, delays in vaccine supply, policy changes and exchange rate fluctuations, in this case the Board of Directors shall identify the correct strategy to deal with these issues.	V		The CRM Division periodically monitors assessment of planned mitigation measures to be undertaken by each risk-owning section / division.	-
13	The Board of Directors shall study ideal employee needs and map human resources based on competency. In addition, careful plans and targets shall be established for the planned golden handshakes and healthcare facilities for retirees as this will quite significantly increase the employee expense component, especially the employee social cost.	V		During 2015, evaluation and mapping of the organizational structure was conducted to establish the ideal number of employees. Moreover, post-retirement healthcare facilities were studied with the cost being borne by each employee while still employed. Golden handshakes are an attempt to minimize the number of less than ideally competent employees and will continue until the competency of all employees is sufficiently ideal.	-
	For the planned business development for 2015, one of which is land investment, the Board of Directors shall prepare a land survey study to be submitted to the Shareholders.	V		In relation to the Environmental Geology Analysis survey conducted by the UNPAD Faculty of Geology Engineering, geology and hydrogeology mapping is currently being undertaken. The survey has also been conducted to collect primary data related to aquifer hydraulics, absorption rate, soil engineering properties and land use. After the results of the Environmental Geology Analysis, a more in depth study will be undertaken, including studies of social communities at this site.	-

NO	SHAREHOLDER GUIDANCE	STATUS		NOTES	DEADLINE
		COMPLETED	INCOMPLETE		
	The ratified RKAP shall serve as a guideline for the Board of Directors to conduct business activities in 2015, and the Board of Commissioners is required to assess and supervise the implementation of the RKAP by always adhering to the principle of budgetary discipline and to report periodically to Shareholders.	V		The Board of Directors regularly carries out assessment and monitoring of RKAP implementation as a result of follow up suggestions and feedback from the Board of Commissioners and direction from the shareholders.	-

Follow Up on Annual General Meeting Decisions / Guidance on 13 May 2015 regarding the Company's 2015 Financial Statements and 2015 Activity Reports for the Partnership & Community Development Program.

NO	SHAREHOLDER GUIDANCE	STATUS		NOTES	DEADLINE
		COMPLETED	INCOMPLETE		
1.	Thoroughly follow up on matters found or noted in the auditor's findings on the Company's Financial Statements and PKBL Financial Statements for Fiscal Year 2014 and specify targeted completion so these notes and findings do not occur again in 2015.	V	-	All the auditor's findings and notes have been followed up.	-
2.	The Board of Directors shall improve production capacity to suppress fixed costs and create economy of scale.	V	-	In 2015, an integrated filling line machine for the BCG vaccine has been ordered to increase production capacity for the BCG vaccine, as well as a packaging line machine to increase production capacity for other vaccines.	-
3.	Encourage planning and apply market intelligence in accordance with the needs of PT Bio Farma (Persero) to become a company that is a global player.	V	-	• Appoint specific personnel for market intelligence. These personnel are assigned to gather data and information related to vaccine markets, competitors and their developments. • In addition, Bio Farma is also making use of consultants to obtain additional information related to market intelligence. • An overseas distributor network already exists and can be empowered to obtain more accurate market information as they are actually in the market. • Staying up to date with information development from WHO, UNICEF and other authorities related to changes in the vaccine markets.	-
4.	The Board of Directors is requested to improve cost efficiencies in the procurement of goods / services, use of supporting raw materials and improved work processes.	V	-	Cost efficiencies and improvements to work processes in various sectors have been implemented.	-

NO	SHAREHOLDER GUIDANCE	STATUS		NOTES	DEADLINE
		COMPLETED	INCOMPLETE		
5.	In the face of global competition for PQ WHO products and the ASEAN single market, the management should accelerate research to encourage new findings and patents, as well as cooperate with other vaccine producers, institutes of higher learning and research institutes both nationally and overseas to accelerate the availability of market products and fulfill domestic demand for vaccines.	V	-	The Company is cooperating in research with various government agencies, as well as overseas to develop new products, including the development of blood products, Adjuvant R4, Lipovaxib with the TB vaccine model, Typhoid vaccine and others.	-
6.	To implement the investment program, both regular investment and for development, the Board of Directors is required to continue improving GCG application in the implementation process, as well as conducting comprehensive risk management assessment alongside mitigation measures designed for the relevant investment risk.	V	-	• PT Bio Farma has implemented Good Corporate Governance in accordance with SOE Ministerial Decree No. PER-01/MBU/2011 dated 1 August 2011 on the Implementation of Good Corporate Governance (GCG) in SOEs and the Decision of the Secretary to the SOE Ministry No: SK-16/S.MBU/2012 dated 6 June 2012 on Assessment and Evaluation Indicators / Parameters for Good Corporate Governance (GCG) Implementation in SOEs, as well as risk management aspects, Bio Farma has implemented Risk Management Guidelines and Procedures. • The GCG Assessment Achievement score for PT Bio Farma (Persero) in 2015 reached Very Good (86.83). This demonstrates that in all aspects, including the investment program implementation, the principles of corporate governance are observed. • In every operational activity, Bio Farma implements Risk Management in each unit / section, thus every implementation of the investment program in units must always be accompanied by a risk analysis with mitigation plans, and conducted the investment risk is monitored and assessed.	-
7.	To support the use of government-owned land in Jasinga, in accordance with our letter No. S-571/MBU/2013 dated 17 September 2013 on the proposed use of government-owned land by PT Bio Farma (Persero), the Board of Directors is required to immediately follow up on the use of that land in cooperation with the Directorate General of State Wealth (DJKN) of the Finance Ministry using the scheme established by the DJKN.	V	-	Land in Jasinga has been leased for 3 (three) years, and at this time the local community and government are being approached through CSR programs, including creating clean water infrastructure for the local community.	-

NO	SHAREHOLDER GUIDANCE	STATUS		NOTES	DEADLINE
		COMPLETED	INCOMPLETE		
8.	To support the implementation of SOE Ministry duties and improve the quality of SOE supervision and oversight, the Board of Directors shall monitor and update data for the five (5) SOE portals, namely Financial Information System Portal, Asset Portal, HR Portal, PKBL Portal and the Public Portal periodically and continually.	V	-	Data for the 5 (five) SOE portals is being monitored and updated.	-
9.	The Audit of the Company's Financial Statements for Fiscal Year 2015, including the Company's Annual Report for Fiscal Year 2015, shall be completed and submitted to the Shareholders no later than February 2016.	V	-	The Company's Financial Statement was submitted to the Shareholders on 29 February 2016 through the FIS BUMN program.	-

Reason for Non-Realization of any GMS Decisions

UNREALIZED GMS DECISIONS	REASON
All the GMS decisions have been followed up	As such, Bio Farma does not present any information on reasons for the non-realization of any GMS decisions.



THE INTERNAL AUDIT

Bio Farma established an Internal Audit led by the Head of the Internal Audit, appointed and dismissed by the President Director upon the approval of the Board of Commissioners. The IA is an objective and independent supervisory body established to provide added value in the Company's performance by abiding to the principles of good corporate governance (GCG).

PROFILE OF THE HEAD OF INTERNAL AUDIT

Sri Widayatiningsih was appointed as Head of Internal Audit on January 2nd, 2015. Born in Ungaran, Central Java on May 3rd, 1963, she graduated with a degree in Management Economics from Universitas Islam Indonesia (UII) in 1991.

Sri Widayatiningsih joined Bio Farma on January 3rd, 1994. She was appointed as Head of Internal Audit in accordance with the Directorial Decree of PT Bio Farma (Persero) No. 317/TM/TKK/XII/2014 dated January 2nd, 2015 and approved by the Board of Commissioners via Approval No. S-52/DK/BF/XII/2014 dated December 18th, 2014. As, she is Head of the Logistics Division.



Sri Widayatiningsih
The Head of Internal Audit

NUMBER OF INTERNAL AUDIT AUDITORS (INTERNAL AUDITORS)

As of December 31st, 2015, the Internal Audit has 12 (twelve) employees, consisting of 1 (one) Head of Internal Audit and 11 (Eleven) employees working on issues pertaining to Internal Audit.

Auditors' educations range from master's, bachelor's, and secondary degrees. Each Auditor has participated in audit training on a continuous basis.

Composition of Employee Internal Audit per 31 December 2015

NO.	POSITION	NUMBER OF PERSON
1.	Head of Internal Audit	1
2.	Senior Auditor	5
3.	Junior Auditor	5
4.	Staff	1
	Total	**12 Person**

Competence Development for IA Auditor

In order to enhance the competence and capability of its internal auditors, they participate in various training programs, seminars, and workshops, as follows:

Internal Audit Competency Development Program During 2015

NO.	TRAINING	HEAD OF IA	IA ASSOCIATED	IA JUNIOR EXPERT
1.	2015 Internal Auditor International Conference	1	-	-
2.	GCG – Excellence Performance	1	-	3
3.	Cyber Crime	1	5	3
4.	ACIIA International Conference	-	1	1
5.	2015 ACFE European Fraud Conference	-	1	-
6.	Professional of Internal Audit (PIA)	-	1	1
7.	Project Management Certified Int'l Information System Auditor	-	1	-
8.	CFE Review	-	1	1
9.	Internal Audint National Seminar	-	1	3
10.	Qualified of Internal Auditor	-	-	1
11.	IA Communication Forum Seminars	1	5	5

INTERNAL AUDIT CERTIFICATIONS

In carrying out internal audit tasks, the IA is supported by a host of professional auditors.

As at 31 December 2015, the qualifications and competencies of Bio Farma's IA personnel are as follows:

POSITION	NUMBER OF EMPLOYEES	QUALIFICATION	NUMBER OF EMPLOYEES
Head of Internal Audit Unit	1	Qualified Internal Auditor (QIA	-
Senior Auditor	5	Certified Fraud Examiners (CFE) Qualified Internal Auditor (QIA) Certificate in InternationalFinancial ReportingStandards(CIFRS) Certified PSAK(CPSAK) Certified International of Information System Auditor (CIISA)	- - 1 1 1
Junior Auditor	5	Qualified Internal Auditor (QIA) Certified PSAK(CPSAK)	1 1
Total	12	**Total**	**5**

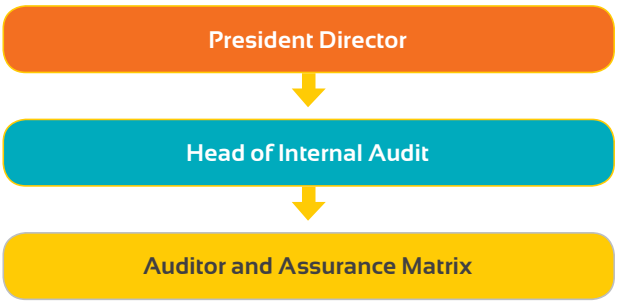
A number of other auditors have considerable experience and are undergoing certification program. In 2015 five auditors participated in professional training programs and certification programs.

IA POSITION IN THE ORGANIZATIONAL STRUCTURE

IA Organizational Structure

In compliance with Board of Directors' Decree No. 05586/Dir/VIII/2015 dated 21 August 2015 regarding the PT Bio Farma (Persero) Organization Structure, the Internal Audit Unit (SPI) has been amended to Internal Audit (PI). Structurally, the Internal Audit is under the President Director and is lead by the Head of Internal Audit who oversees the Auditor & Assurance Matrix & Assurance Matrix (IA Associate Experts and IA Junior Experts).

Bio Farma Internal Audit Organization Structure (PI)



Internal Audit Charter

Based on the Joint Decree of Board of Commissioners and Board of Directors No. KEP-13A/DK/BF/XII/2012 and No. 07357/DIR/XII/2012 dated 17 December 2012 on the Internal Audit Charter, the position of the IA as an internal audit organization, its scope of work, responsibility of reporting, authorities and roles, as well as its professional standards have been outlined. The Internal Audit Charter was formulated to be used as the guidelines for Internal Auditors to carry out their duties optimally, and to be understood by auditees and other related parties in order to create an atmosphere of understanding and excellent cooperation so that Bio Farma's vision and mission can be achieved. With the Internal Audit Charter, the IA is expected to produce quality audit reports in order to support all of the Company's activities.

IA Duties, Authorities and Responsibilities

EXECUTION OF DUTIES AND RESPONSIBILITIES

In performing its duties and responsibilities, the IA refers to the internationally recognized COSO – Internal Control Framework and the Internal Audit Charter as stipulated in the Decree of the Board of Directors No. 05166/Dir/VII/2006 dated 28 July 2006 on the Internal Audit Charter which was updated and affirmed by the Joint Decree of Board of Commissioners and Board of Directors No. 07357/DIR/XII/2012 dated 17 December 2012, which outlines the vision, mission, structure and position, authorities, duties and responsibilities of the IA, requirements for professional auditors, and the internal audit code of conduct. The Internal Audit Charter is regularly evaluated and agreed upon by the President Director and the Board of Commissioners through the Audit Committee. Execution of audit tasks refers to the Audit Manual for the IA, as stipulated by the Decree of the Board of Directors No. 05094/Dir/VIII/2012 dated 27 August 2012.

DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE IA

1. The Duties and responsibilities of the IA include the following:
   a. Prepare and implement the Annual Monitoring Work Program (PKPT).
   b. Test and evaluate the implementation of internal audit, risk management, and GCG in accordance with the Company's policy.
   c. Perform inspection and assessment on the efficiency and effectiveness of operational, financial, human resources, information technology and other activities in the Company.
   d. Provide recommendations for improvements and objective information on the activities being examined to Management.
   e. Preparing audit result reports and submitting them to the President Director and the Board of Commissioners.
   f. Monitor the follow-up implementation of the recommended improvements.
   g. Perform consulting tasks to improve the internal control system.
   h. Together with the Audit Committee to discuss audit result reports and request necessary input.

i. Conduct special inspections if necessary.

2. The authorities of the IA include the following:
   a. Conduct direct communication with the Board of Directors and the Board of Commissioners, the Audit Committee, and the Risk Committee.
   b. Hold periodic and ad-hoc meetings with the Boards of Directors and Commissioners, and Audit and Risk Committees.
   c. Coordinate tasks as the Company is being audited by external auditors (KAP, BPK, etc.).
   d. Allocate audit resources, determine the focus and scope and schedule of the audit.
   e. Improve knowledge and skills in the field of audits.
   f. Obtain advice and counsel from professionals/ experts.

SUMMARY OF 2015 WORK REPORT OF THE IA

The Internal Audit Unit of Bio Farma formulates and implements an Annual Audit Work Program (PKPT) for the audit implementation of the control operations, risk management and corporate governance processes, providing consultation and recommendations that are independent and objective.

In assessing risks, the IA coordinates its activities with the risk owners to obtain input on the risk assessment resulted from the risk management process.

In 2015, the IOU has concluded its examination of the Annual Audit Work Plan (AAWP) and Non-AAWP, as follows:

1. Conducted examinations on 9 (nine) AAWP objects, as follows:
   a. Operational Examination on the Chemical and Physical Quality Testing (CPQT) Department
   b. Operational Examination on the Clinic & Immunisation Division.
   c. Operational Examination on the Marketing Division.
   d. Operational Examination on the Performance & Reward Management Department, Human Capital Division.
   e. Operational Examination on Investment Management.
   f. Operational Examination on the Imports Procurement Department, Logistics Division.
   g. Operational Examination on the CSR/PCD Department.
   h. Financial Examination of the Treasury Department.
   i. Operational Examination on the MIS Department (Management Information System), IT Division.
2. Non-AAWP examinations, as follows:
   a. Hospitalisation Stock as of 31st December 2015.
   b. Company Hospitalisation Cash and PCD as of 31st December 2014, 31st March 2015, 30th June 2015, and 30th September 2015.
   c. Counterpart auditing on the Financial Statement of the Company and PCD Activity Report for the 2015 Financial Year by the PAF Djoemarma, Wahyudin & Rekan.

In accordance with the Directorial Decree of PT Bio Farma (Persero) No. 06574/Dir/X/2015 dated 1st October 2015 on the Establishment of the Public Accounting Firm Counterpart Team to conduct the General Audit of the Financial Statement of PT Bio Farma for the 2015 Financial Year dated 1st October 2015.

3. Monthly activities regular audit (production, marketing, purchase, and book keeping evidences). Of the 2015 work program in accordance with PKPT, 9 (nine) Inspection Reports (LHP) The Internal Audit Unit also conducted meetings with the Audit Committee, at least once every 3 (three) months with pre-agreed meeting agenda.

   The IA reports the audit results and follow-up of the examination results and discusses the financial statements of, and the latest issues faced by, the Company. The IA also establishes a good relationship with external auditors, such as BPKP, BPK, and the Public Accounting Firm in order to expedite the audit being conducted.

2016 Internal Audits Plans

At the end of every year, the IA prepares the Annual Audit Work Plan or PKPT for the following year. The IA prepares the internal audit schedule by taking into account the risk level of each of the auditees. In 2016, the Committee plans to audit 8 (eight) objects. The PKPT has been approved by the President Director, and communicated to the Board of Directors and the Board of Commissioners through the Audit Committee. Aside from audit plans, the IA also prepares the auditors' competence development plan.

The Annual Audit Work Plan (AAWP) & Bio Farma Auditor Competence Development Plan in 2016 are as follows:

NO.	ACTIVITY PROGRAM	AUDITING PERIOD	MONTH OF PUBLICATION	NUMBER OF AUDIT REPORTS
1.	Operational Assessment on Virus Vaccine Division (OPV Department)	28/01/2016 until 06/04/2016	April	1
2.	Operational Assessment on General Division and Asset Management (Asset Management Department)	28/01/2016 until 06/04/2016	April	1
3.	Operational Assessment on Procurement Division (Capex Purchasing and Maintenance)	28/04/2016 until 13/07/2016	Juli	1
4.	Operational Assessment on Business Unit and Immunization	28/04/2016 until 13/07/2016	Juli	1
5.	Operational Assessment on Human Capital Division (Development Management Department)	28/04/2016 until 13/07/2016	Juli	1
6.	Operational Assessment on PKBL, CSR and EHS (CSR Department) Division	02/08/2016 until 10/10/2016	Oktober	1
7.	Operational Assessment on Production Planning Division and Supply Management (Production Planning Department)	02/08/2016 until 10/10/2016	Oktober	1
8.	Operational Assessment on on Technical Division and Maintenance	02/08/2016 until 10/10/2016	Oktober	1

APPOINTMENT AND DISMISSAL OF THE HEAD OF THE IA

In accordance with the Regulation of the Minister of State- Owned Enterprises No. PER-01/MBU/2011 Article 28 (3) dated 1 August 2011, the Head of the IA is appointed and dismissed by the President Director upon the approval of the Board of Commissioners, the Decree of the Board of Directors of Bio Farma No. 317/TM/TKK/ XII/2014 dated 18 December 2014 the Appointment of the Head of the IA. The appointment of the new Head of the IA was based on the Decree of the Board of Directors of PT Bio Farma (Persero) No. 317/TM/TKK /XII/2014 on the Employee Career Transfer dated 18 December 2014, Widayatiningsih SE., Grade 4 (four), previously Head of the Procurement Division under the Human Resources Directorate, was transferred as the Head of Internal Audit Unit at the Main Directorate terhitung mulai tanggal 02 Januari 2015.

QUALITY ASSURANCE (QA)

Aside from the Internal Audit Unit (IAU), Bio Farma also has the Quality Assurance Division with the duties, authorities and responsibilities among others to conduct audit on Quality Management System, Environmental Management System, Occupational Health and Safety Management System, Good Manufacturing Practice (GMP), Vendors, and Customer Complaints.

APPOINTMENT AND DISMISSAL OF THE QUALITY ASSURANCE DIVISION HEAD

The Quality Assurance Division Head is appointed and dismissed by the President Director, as stipulated in the Decree of the Board of Directors of Bio Farma No. 0461/TKK/SDM/VIII/2012 dated 16 August 2012 on the appointment of the Quality Assurance Division Head.

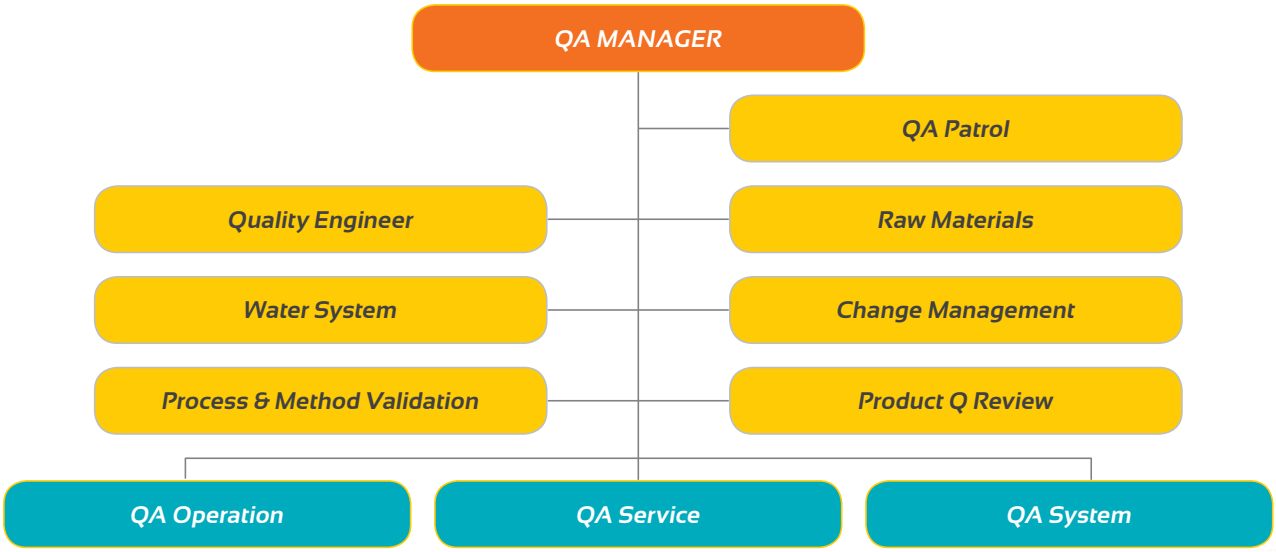


Iin Susanti
Head of Quality Assurance Division

Head of Quality Assurance Division, has responsibility in implementation of ISO 9001, ISO 14001, and OHSAS 18001. integration system. She was born in Semarang, July 20, 1967, was appointed as Head of Quality Assurance (QA) division since 2012 up to present. She obtained a bachelor degree in phahrmacy and Magister Management from Padjajaran University Bandung. She joined Bio Farma since 1991 as staff of bacterial vaccine quality control department (1991-1997), and has served in various structural positions such as Head of Viral Vaccine Quality Control Department (1997-2006), Quality Control Head Division (2006-2012). She has competencies in quality control and management system, current GMP,etc. she has qualification as audit for vendor and lead auditor, her experiences as lead auditor of some company national and abroad to ensure Bio Farma vendor fulfill quality management and environment friendly aspect.

QA ORGANIZATIONAL STRUCTURE

According to the Directorial Decree No. 05586/DIR/VIII/2015 dated 21st August 2015 on the Organizational Structure of PT Bio Farma (Persero), the Quality Assurance (QA) Division is structurally under the purview of the President Director and headed by a Head of Division, who supervises QA System, QA Operation, and QA Service. The Organizational Structure of the QA Division of Bio Farma is as follows:



Number of Internal QA Auditors

AS of 31st December 2015, there are 98 (ninety-eight) Internal Auditors representing the Quality Assurance Division, Quality Control, Production, Technical, Laboratory Animals, Inventory Management, Marketing, and Administration.

NO.	COMPETENCE AUDITOR	TOTAL
1.	Auditor GMP, ISO dan OHSAS	86 Person
2.	Auditor ISO dan OHSAS	12 Person
	Total	**98 Person**

These auditors have postgraduate and undergraduate backgrounds in Pharmacy, Biology, Medicine, and many other disciplines. Each Auditor has participated in audit-related training programs.

QA Auditor Competency Development

In the interest of improving the competence and expertise of the Auditors, a variety of training, seminars and workshops are undertaken, as follows:

NO.	TRAINING	DATE	NUMBER OF AUDITOR PARTICIPATING IN TRAININGS
1.	Guidelines for auditing management systems) and Audit GMP & ISO Integration (ISO 9001, ISO 14001, OHSAS 18001)	26 & 29 February 2015	26 person
2.	QMS internal training auditor based on ISO 19001:2008 approved IRCA Registered with Lloyd's Register Quality Assurance	20-21 May 2015	2 person
3.	Coaching for Conducting GMP Inspection with GMP Consultant David Buckley	3-7 August 2015 and 24 November-3 December 2015	21 person
4	Lead Auditor ISO Integrated Management System Training (ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 based on ISO 19011) with BSI (British Standard Institution) Group Indonesia	4-6 January 2016 dan 13-15 January 2016	26 person

QA Auditors Certifications

In carrying out internal audit tasks, the QA is supported by a host of professional auditors. As at 31 December 2015, the qualifications and competencies of Bio Farma's QA auditors are as follows:

AUDITOR COMPETENCE	TOTAL
Lead Auditor	49 person

Auditor Competence Number of Personnel Lead Auditor 49 personnel A number of other observers have considerable experience and are undergoing certification program. In 2015 Fourteen auditor candidates participated in an auditor qualification program.

Duties, Authorities and Responsibilities of the QA in Relation to Internal & External Audits

Head of the QA Division and/or Management Representative (MR) is authorized to approve audit programs and appoint an audit team that is competent and independent to conduct audit to each related division/section, and request for unscheduled audits that have been determined with or without prior announcement to the auditee.

Head of the QA Service section is responsible for preparing the schedules, audit programs, audit scope, and evaluation including the safekeeping of internal audit records and reporting of the audit implementation to the QA Division Head and/or MR. The internal audit schedule is prepared based on proper risk analysis.

Summary of 2015 Work Report of the QA Auditors

Quality Management System Implementation

The implementation of the Quality Management System in Bio Farma is aimed at maintaining a consistently integrated system. In its implementation, the Company has appointed a Management Representative (MR) as the person in charge, i.e. the Corporate Secretary, and the representative of the Quality MR for the implementation is the Quality Assurance Division. The team for the integration of ISO 9001, ISO 14001, and OHSAS 18001 systems is composed of various work units, and has a function to coordinate, ensure the implementation of an integrated system, and act as internal auditor and vendor auditor for Bio Farma, in accordance with a decree that is updated on an annual basis, namely the Decree No. 00167/DIR/I/2015 dated 9 January 2015.

Implementasi Quality Management System pada tahun 2015 sebagai berikut:

NO.	Date	Activity	REMARKS
1.	03 February 2015 – 03 July 2015	Internal Audit Conducting Internal Audit Period I covering 55 working units.	Internal audit is conducted by Qualified Auditor to monitor and evaluate the implementation of integrated management systems include Quality, Environment, and Occupational Health and Safety..
2	03 July – 22 September 2015	Conducting Internal Audit Period II covering 36 working units.	
3	23 September 2015 – 21 December 2015	Conducting Internal Audit Period III covering 44 working units.	
4.	23-25 Juny 2015	Quality Management System Audit - ISO 9001:2008 Conducted 3rd, 4th and 5th surveillance. Bio Farma was recommended for an extension of the ISO 9001:2008 certification and gave the impression of a particularly high level of commitment and quality awareness.	The Surveillance audit is conducted by the Lloyd's Register Quality Assurance (LRQA) certification body to assess the effectiveness of the implementation of the Quality Management System in PT Bio Farma (Persero)
5.	23-26 Juny 2015	Environmental Management System Audit - ISO 14001:2004 Conducted Certification Renewal Surveillance. Bio Farma was recommended for an extension of the ISO 14001: 2004 certification.	The Surveillance audit is conducted by the Lloyd'sRegister Quality Assurance (LRQA) certification body to assess the effectiveness of the implementation of the Environment Management System in PT Bio Farma (Persero)
6.	23-26 Juny 2015	Occupational Health & Safety Management System - OHSAS 18001:2007 Conducted Certification Renewal Surveillance. Bio Farma was recommended for an extension of the OHSAS 18001:2007 certification.	The Surveillance audit is conducted by the Lloyd'sRegister Quality Assurance (LRQA) certification body to assess the effectiveness of the implementation of the Occupational Health & Safety Management System in PT Bio Farma (Persero)
7.	25-27 March 2015	Good Manufacturing Practice (GMP) Audit Conducted GMP audit	GMP audit is conducted by Badan Pemeriksaan Obat & Makanan (BPOM) as National Regulatory Authority to assess company's compliance with Good Manufacturing Practice Regulation.
8	2015	Vendor Audit As part of Bio Farma's Quality Management System, 75 vendors were audited in 2015. 59 of it were existing vendors and the rest were potential vendors which were audited as part of vendor qualification process.	Referring to ISO 9001:2008 and cGMP requirements, vendor audit is conducted to evaluate qualification of vendors in their capacity to provide product or service for PT Bio Farma (Persero).
9.	2015	Customer Complaints In 2015, 28 complaint was reported, 10 complaints were related to Adverse effect following immunization (AEFI), 1 compaint was related to adverse effect (AE) and 17 related to Product Technical Complaints (PTC)	All the AEFI and AE reports concluded as unrelated to product quality.
10	2015	Continual Improvements	
11		WHO prequalification for Vaccine bOPV type 1 & 3 (10 doses vial)	Bivalent Oral Poliomyelitis Vaccine type 1 & 3 (bOPV) used for active vaccination and gives protection from ype 1 & 3 Poliomyelitis infection.

2016 QA Audit Plans

The audits that will be conducted by QA Auditors in 2016 are as follows:

1. The administrative department is audited at least once a year (quality, environmental, and OHS aspects).
2. Production, QA, QC, engineering and other sections apart from Administration are to be audited at least twice a year (as regards quality, environment, and OHS aspects).
3. EHS section is to be audited at least three times a year (as regards quality, environment, and OHS aspects).

PUBLIC ACCOUNTANT

CONDUCTED AUDIT OF FINANCIAL STATEMENTS AN D THE NUMBER OF PERIODS THE PUBLIC ACCOUNTING FIRM CONDUCTED AUDIT OF FINANCIAL STATEMENTS

The function of independent oversight to the financial aspects of the Company is done by conducting an external audit performed by an Public Accounting Firm (KAP). Based on the results of the General Meeting of Shareholders (GMS) of Bio Farma on 21 March 2014, the Company appointed the Public Accounting Firm KAP Djoemarma, Wahyudin & Rekan for the third time as the external auditor to conduct an independent audit of the Company's Financial Statements and CSR Programs' Financial Statement for the 2014 Fiscal Year. This Public Accounting Firm has a license from the Minister of Finance No. KEP-350/KM.17/2000 dated 18 September 2000 and BAPEPAM No. 320/PM/STTD-AP/2002 dated 28 June 2002.

The appointment abided by the Regulation of the Minister of Finance No. 17/PMK.01/2008 dated 5 February 2008 Article 3 paragraph 1 that states that the general audit service of the financial statements of an entity is carried out by a Public Accounting Firm for at most six fiscal years in a row, and by a Public Accountant for at most three fiscal years in a row. The appointment of the Public Accounting Firm had gone through the necessary stages for service procurement in Bio Farma. This began with the invitation of various public accounting firms registered on the BPK and had considerable experience in auditing to participate in the procurement process, and was concluded with the approval of the Board of Commissioners and the report to Shareholders.

KAP Djoemarma, Wahyudin & Rekan has audited the Financial Statements of PT Bio Farma (Persero) Tbk for the years ended 31 December 2014 and 2013, along with the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended 31 December 2014 and 2013, as well as examined the Company's compliance with certain regulations and internal control. KAP Djoemarma, Wahyudin & Rekan carried out the audit process in full accordance with the auditing standards established by the Indonesian Institute of Certified Public Accountants and the State Auditing Standards issued by the State Audit Board of the Republic of Indonesia.

According to the KAP Djoemarma, Wahyudin & Rekan's Report No. 326/LAI.138F/DWR/2014 dated 30 January 2014, the financial statements of PT Bio Farma (Persero) have presented fairly, in all material aspects, the financial position of PT Bio Farma (Persero) as at 31 December 2014 and 2013, as well as the business results, changes in equity, and cash flows for the years ended on such dates, in accordance with the prevailing Financial Auditing Standards in Indonesia.

TOTAL FEE PAID TO THE PUBLIC ACCOUNTANT

The audit of PT Bio Farma (Persero)'s Financial Statements and the fees paid to external auditors for the past six years is are detailed as follows:

Company's Financial Report Audit for the last 6 years

AUDIT PERIOD	ACCOUNTANT	PUBLIC ACCOUNTANT	AUDIT FEE (RP)	OPINION	SERVICES BEYOND FINANCIAL AUDIT
2015	Djoemarma Registered under NRAP No. AP.0190	Djoemarma, Wahyudin & Rekan	215,000,000,-	Reasonable in all material terms	√
2014	Djoemarma Registered under NRAP No. AP.0190: NRAP: AP.0190	Djoemarma, Wahyudin & Rekan	200,000,000,-	Reasonable in all material terms	None
2013	Djoemarma Registered under NRAP No. AP.0190	Djoemarma, Wahyudin & Rekan	200,200,000,-	Reasonable in all material terms	None
2012	Aryanto, Amir Jusuf, Mawar & Saptono Registered under NRAP No. R/108. AGA/sat.3/2012	Aryanto, Amir Jusuf, Mawar & Saptoto	200,200,000,-	Reasonable in all material terms	None
2011	Aryanto, Amir Jusuf, Mawar & Saptono Registered under NRAP No. R/134. AGA/4.2/2011	Aryanto, Amir Jusuf, Mawar & Saptoto	242,000,000,-	Reasonable in all material terms	None
2010	Aryanto, Amir Jusuf, Mawar & Saptono Registered under NRAP No. R/123. AGA/4.1/04/2010	Aryanto, Amir Jusuf, Mawar & Saptoto	187,000,000,-	Reasonable in all material terms	None
2009	Aryanto, Amir Jusuf, Mawar & Saptono Registered under NRAP No. R/077.S/7/03/08	Aryanto, Amir Jusuf, Mawar & Saptoto	187,000,000,-	Reasonable in all material terms	None

ADDITIONAL SERVICES RENDERED BY PUBLIC ACCOUNTANTS IN ADDITION TO ANNUAL FINANCIAL STATEMENT AUDIT

In addition to financial auditing services, the PAF Djoemarma rendered additional services to Bio Farma, as follows:

1. Quality Assessment of the IOU

The quality assessment of the Internal Oversight Unit is provided by the External Auditor to conclusively and objectively ensure that the Internal Oversight has satisfied standards set by the Institute of Internal Auditors (IIA).

The subsequent stage is to identify opportunities to improve quality so as to improve the effectiveness and efficiency of internal audit processes and provide added-value for the Company.

2. Quality Assessment of the ERP

Currently, the Company is converting its information systems by implementing the ERP (Enterprise Resources Planning) system to enhance its capabilities and competitiveness.

The implementation of such systems require significant adjustment to the Company's business processes and human capital. While in the transition period, assessments of ERP's supporting infrastructure are needed, in particular whether those pertaining to organizational changes, SOPs, and internal control systems are consistent with the principles of ERP.

Assessment of the implemented ERP system is to ensure that organisational changes, SOPs, and internal control systems are consistent with the principles of ERP so as to produce the desired information and reports.

CORPORATE RISK MANAGEMENT

The obligation for companies to implement risk management is stipulated in the Regulation of the Minister of State-Owned Enterprises No. PER-01/MBU/2011 dated 1 August 2011 on the Good Corporate Governance Implementation in State-Owned Enterprises. The Corporate Risk Management function in Bio Farma is laid out in the Bio Farma Manual (MBF-01 and MBF-02).

Corporate Risk Management is a concerted initiative to identify, analyze and evaluate, manage and review the risks that are faced by the Company so that the goals that have been set by the Company can be achieved while the impact of the risks is kept at a minimum.

RISK MANAGEMENT SYSTEM IMPLEMENTED BY THE COMPANY

Bio Farma realizes that the Company's operations cannot be separated from a variety of risks, both under the control or outside the control of the Company. This is why these risks should not be ignored and must be managed in an integrated, optimal, and continuous manner, as an integral part of good corporate governance practices. Managing risk is the responsibility of each person within the organization; thus, every employee should identify any risks associated with the job and manage them proactively.

The application of Risk Management at Bio Farma is aimed at raising awareness on the impacts of business activities and actions and/or external factors that involve risks, reducing the potential of events that are considered harmful which may occur in the present or the future, increasing shareholders value, and providing a comprehensive picture to the stakeholders and the management about advantages and drawbacks so that decision makers and internal policy makers have the adequate set of data and information on the Company's performance in order to make decisions that are more effective and efficient.

Bio Farma is continuously developing and improving its risk management system's framework and its internal control structure in an integrated and comprehensive manner, so as to provide information regarding any potential risk as early as possible, and then afterwards necessary steps may be taken to minimize the impact of the identified risks. This risk management framework is laid out in the policies, procedures, authorities and other provisions as well as other risk management tools that are valid within the entire range of the Company's business activities.

Since 2009, Bio Farma's Risk Management System has been based on the principles of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Enterprise Risk Management – Integrated Framework. In accordance with the design of Bio Farma's Risk Management System, the framework underwent changes affected by the ISO 31000:2009 and the COSO Enterprise Risk Management – Integrated Framework.

Basis for Risk Management Implementation

Based on the prevailing rules and regulations and the Regulation of the Minister of State-Owned Enterprises No. PER-01/MBU/2011 Article 25, Bio Farma implements the following:

1. The Board of Directors, in making any decision or corporate action, must take into consideration the Company's business risks.
2. The Board of Directors is required to build and implement a corporate risk management program in an integrated manner, as part of the GCG program implementation.

3. The implementation of risk management program may be done by establishing a specific work unit under the Board of Directors or by assigning to an existing and relevant work unit to carry out the risk management function.

Risk Management Policy

To reflect current practical standards of Enterprise Risk Management, Bio Farma's Risk Management policy is based on bridging the COSO Enterprise Risk Management – Integrated Framework to ISO 31000:2009 on Risk Management – Principles and Guidelines. The ISO Standard has been adopted as SNI ISO 31000:2011.

Risk Management Rollout

Risk Management is rolled out regularly and continuously within Bio Farma's environment. In order to improve the competence and obtain risk management certification, employees of Bio Farma have participated in training, workshops, and seminars within and outside of the Company.

EVALUATION ON THE RISK MANAGEMENT SYSTEM'S EFFECTIVENESS

The evaluation on the risk management system's effectiveness is carried out by measuring eight Key Risk Indicators, namely:

a. Awareness, i.e. the level of awareness among internal stakeholders on risk in general as well as the ongoing implementation of risk management.
b. Reputation, i.e. view and acceptance of internal stakeholders on risk management implementation.
c. Culture, i.e. how far the risk awareness culture has taken root and supported risk management practices.
d. Skills, i.e. the level of competence of internal stakeholders in Risk Management to support risk management implementation.
e. Trust, i.e. the level of trust among internal stakeholders in the results of risk management implementation.
f. Resources, i.e. the availability and adequacy of resources, especially human capital, for supporting risk management implementation.
g. Implementation, i.e. how far risk management practices and management of data/information related to risk management in the Company have been supported by automated processes based on information technology.
h. Process, i.e. how far risk management practices have been carried out based on the methodology referred to as the best practice in the field of risk management.

Based on the above measurements, Bio Farma's Risk Management System is deemed to run effectively and is continuously being developed in accordance with Bio Farma's Risk Management Roadmap, as demonstrated by the following:

a. Awareness among risk owners to conduct self assessment of risks.
b. The culture of risk awareness has been relatively strong in risk owners, as shown by the efforts to review risks as part of the Company's operational activities.
c. Stakeholders related to Risk Management have been able to effectively review risks and employ quantitative risk analysis.

CORPORATE RISKS

In 2015, there are 6 (six) corporate risks, consisting of 4 (four) risks from routine activities and 2 (two) risks from corporate projects. The three major risks are increased global competition, vaccine supply delays, and national and international regulatory changes.

The Corporate and Risk Management (CRM) Division is the division responsible for corporate risks. The Division evaluates and monitors each unit's risk management activities after such risks have been identified and its mitigation determined. Each Heads of Department of the risk unit is responsible for every risk and activity under their purview, which on the whole serves as the benchmark of risk management effectiveness within Bio Farma.

Details of the corporate risks are as follows:

NO	RISK CATEGORY	RISKS FACED	
1	Risks from Regular Activities	Change of National and International Policy/Regulation	The Company exports its products to various countries to fulfill the needs of their country's immunization program, which among others supplied by UNICEF, of which the products must meet requirements of WHO prequalification. Therefore, product quality recognition by WHO plays an important role in the swift export sales. Therefore, the Company must always stay updated about policy changes and international requirements, particularly the regulations of WHO as well as regulatory changes that may occur in the government. These risks have a considerable impact on the company's ability to make a profit so that when this risk occurs, the company can immediately adjust the regulatory / policy with new strategy as soon as possible and prepare anticipatory strategy If the regulation changes again.
		Increasing global competition	In today's era of free market, competition in the pharmaceutical sector and biological products will be intense with the increasing number of emerging international companies. The competition arises in various aspects, such as the more powerful operational capabilities of international competitors, innovative products, changes in market demand, as well as the people's limited purchasing power. that are PQ-WHO certified, and the ASEAN single market may pose a serious threat to the Company's continuation of business. The addition of new competitors that will obtain PQ-WHO certification will drive up competition and may take the Company's domestic and overseas market share. Therefore, the appropriateness of products that follow market trends is of great importance to the Company. Products that are marketed should meet market demands and can be provided in a timely manner. Delays in introducing new products that are greatly needed will result in the loss of potential markets.
		Vaccine supply delay	The Company is the only vaccine producer in Indonesia that supplies all vaccines required for vaccination programs in Indonesia. In addition to meeting the government's needs, the Company also export vaccines to various institutions and other countries. Fulfillment of demands must be carried out in a timely manner, given that the production processes and quality control may take a long time and production capacity is limeted. Delay in signing contracts may shorten time to supply products, thus resulting in thedelay of fulfilling order requests. This may be detrimental to the Company's image and reputation and the Company may be demanded to pay a fine..
2	Project Risk	Delayed Realization of Investment	The Company must maintain the availabilty of products that are aligned to market needs. Therefore, the Company conducts resaserch and development for new products. Adequate facilities are required to support this research and development program and the production phase, so that product development may be carried out in a timely manner, and the product can be introduced to the market while the need is still there. Delay in investment programs that support the research and development stage or the production stage will result in loss of potential market. Thus, planning and implementation of the Company's investment programs must be as prompt and accurate as possible.

NO	RISK CATEGORY	RISKS FACED	
		Unpreparedness of Influenza Vaccine Production In facing pandemic	As an anticipative measure for the possibility of a flu pandemic, the government through the Ministry of Health of the Republic of Indonesia is currently building a human flu vaccine manufacturing facility. When the construction is finished, the facility will be handed over to Bio Farma to be managed in anticipation of the flu pandemic, taking into account that Bio Farma has controlled the technology for flu vaccine manufacturing. However, as of now there is no significant development in the plan. This brings up a risk of unpreparedness in anticipating the flu pandemic, should it happen.
		Improved Integration of Information Technology (IT)	In order to enhance administrative and operational activities, an integrated information technology system that is aligned with the Company's business characteristics is required. Therefore, an incorrect implementation of IT system may prove hugely detrimental to the Company's financial situation.

RISK MANAGEMENT

Bio Farma is committed to complying with all laws and reglations in conducting its activities and continuing its efforts to always implement the culture of compliance and ensuring that he compliance function is upheld at all times. This covers the following actions:

a. Ensuring that the culture of compliance is espoused by all levels of the organization and in all business activities of the Company.
b. Managing the compliance risk faced by the Company.
c. Ensuring that all policies, provisions, procedures and business activities are aligned with the prevailing laws and regulations and business ethics.

Risk Management Component

The risk management system comprises 3 inter-related components:

a. Risk management principles
b. Risk management principles as a foundation (basic rules) for the development of a risk management framework to form the pillars for the application of the risk management process.
c. Risk management framework
d. Risk management process.
e. The risk management process is a description of the risk management framework to facilitate the application of risk management principles at the corporate, work unit and individual levels.

Components of Risk Management

The risk management system consists of three interrelated components namely:

a. The principles of risk management.
b. The principles of risk management are the foundation (ground rules) for the development of risk management framework which are the cornerstones for the implementation of the risk management process.
c. Framework of risk management
d. The process of risk management.
e. The risk management process is an elaboration of the risk management framework in order to facilitate the application of the principles of risk management, both at the corporate level, at the work unit level, as well as individuals.

Risk Management Goals

1. Raising awareness that all efforts to achieve the Company's goals and targets inherently have risks, so that all individuals and work units must be able to manage risks based on their respective position and responsibility as part of an integrated corporate risk management.
2. Improving the certainty of achieving the Company's goals and targets by:
   - Reducing the possibility of events that may disrupt business processes.
   - Minimizing the potential losses as the impacts from the occurrence of such events.

Risk Management Policy Administrator

To administer risk management activities, Bio Farma established the Compliance & Risk Management Division under the Director of Finance, to be responsible for ensuring the management of Compliance function and ensuring compliance within Bio Farma in accordance with all the prevailing rules and regulations.

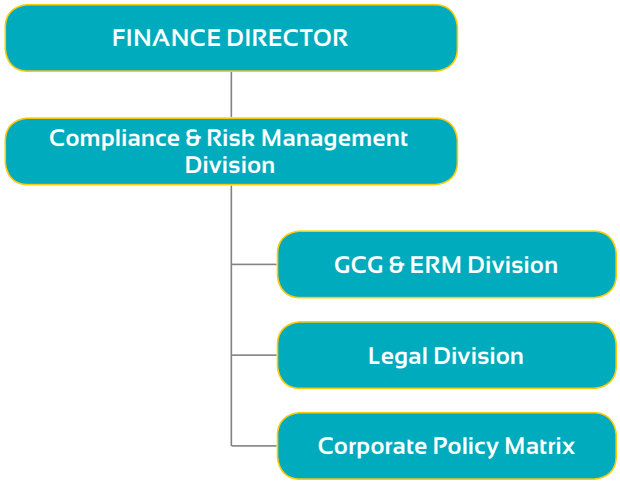
Head of Compliance & Risk Management Division Profile



Bambang Heriyanto
Compliance & Risk Management Division Head

Bambang Heriyanto was appointed Division Head of Compliance & Risk Management in 2015. Born in Cirebon in 1970, he holds a Bachelor of Pharmacy (1994) and Pharmacists (1995) from the Bandung Institute of Technology (ITB) and a Master of Management awarded in 2005. He commenced his career with Bio Farma as a member of staff in the Purification & Diagnostic / Reagent Section (1997), Head of Sera & Diagnostic Production (2002), Head of Formulation & Filling (2003), Head of Tetanus Vaccine Production (2009), Head of Viral Vaccine Production Division (2012). He was appointed Division Head of Compliance & Risk Management based on Board of Directors' Decree No. 313/TM/TKK/XII/2015 dated 2 January 2015.

Compliance & Risk Management Division Organization Structure



Roles of the Board of Commissioners and the Board of Directors

Board of Commissioners

The Board of Commissioners is obliged to carry out active supervision of the compliance function through the committees under the Board of Commissioners, which evaluate the implementation of the compliance function. The Board of Commissioners provides recommendations in order to improve the quality of compliance function implementation.

Board of Directors

a. The Board of Directors, in making any decision or corporate action, must take into consideration the Company's business risks.
b. The Board of Directors is required to build and implement a corporate risk management program in an integrated manner, as part of the GCG program implementation.
c. The Board of Directors is required to submit a risk management profile report and the mitigating measures, together with the Company's periodic reports.
d. The Board of Directors plays a role in ensuring the implementation of the compliance function and ensuring the culture of compliance is upheld on all organizational levels and in all business activities, among others by formulating the policies and/or making decisions under the guidance of the prevailing laws and regulations.

Duties and Responsibilities of the Compliance & Risk Management Division

1. Coordinating the Company's compliance with GCG, regulations, and corporate risk activities
2. Monitoring the GCG, Risk, and Legal aspects
3. Evaluating the GCG, Risk, and Legal aspects

Risk Management Measures

To manage risks, the following measures may be taken:

a. Carrying out a risk assessment on each business target as stipulated in the RKAP and preparing a mitigation plan or risk control plan, which is stipulated in the Operational Work Plan.
b. Monitoring and evaluating the existing risks to ensure that those risks have been properly managed, among others through regular evaluation by the Compliance & Risk Management Division and through risk-based audits by the Internal Audit Unit.

Compliance Risk Management

The management of compliance risk is focused on improving the culture of compliance in all of the Company's business activities and on all organizational levels. In 2014, the Compliance & Risk Management Division conducted the following activities:

a. Disseminated the importance of compliance function and role in encouraging the culture of compliance in all of the Company's activities
b. Determined compliance-related steps to be taken to ensure that all policies, provisions, systems, and procedures as well as business activities of the Company had been aligned with the prevailing rules and regulations.
c. Monitored and maintained the Company's activities so as not to stray from the prevailing regulations in order to minimize the Company's compliance risk.
d. Prevented, whenever necessary, any policy or decision made by the Board of Directors from straying from the prevailing regulations.
e. Monitored and maintained the Company's compliance with all agreements and commitments between the Company and other parties.
f. Summarized regulations and analyzed their impacts on the Company, and informed each regulatory change issued by the government to the Board of Directors and the relevant Division/Function Heads to expedite the compliance function implementation.
g. Assessed risks against each business target, as stipulated in the RKAP and preparing a mitigation plan or risk control plan, which is stipulated in the Operational Work Plan.
h. Monitored and evaluated existing risks to ensure that those risks have been properly managed, among others through regular evaluation by the Compliance & Risk Management Division and through risk-based audits by the Internal Audit Unit.

Bio Farma's ERM is divided into Risk Unit ERM and Corporate ERM. Risk Unit ERM is prepared by all Risk units in accordance to the Standard Operating Procedure/ SOP 100K-SISERM, i.e., each Risk Unit prepares an annual Risk Unit ERM report, the format of the report is as follows:

1. Introduction Chapter, contains the purpose and objective of ERM in every risk unit, among others to explore and understand all risks that exist in the Company as a whole so the risk can be managed and controlled.
2. The Scope of Study Chapter, contains the explanation of business processes taking place in the Company.
3. Risk Register, explains the steps of risks identification and measurement to determine the emergence of risk or events, then the value of probability is calculated by the Poisson, Binomial, Z score, and approximation methods and impact with the value at risk (var) method, defining the Risk Status, whether it is in the Quadrant I (Minor/ Prevention), Quadrant II (Major/ Catastrophic/ Avoidance), Quadrant III (Insignificant/ Acceptance) or Quadrant IV (Moderate/Mitigation).
   Discussion Chapter, containing information on:
   - The number of risks that have been identified and stated as the risk of a risk unit.
   - Risk status which is sorted from the largest to the smallest as a basis of risk management priorities.
   - The risks that are considered in the categories of Acceptance, Mitigation or Avoidance

Conclusion, which summarize risks that will be or are in the category of a corporate risk and the measures that should be conducted to handle it.

The risk management follow-up report, in the form of table that explain how an action or mitigation of the risk that might arise, contains:

- Risk handling type of activities.
- Cost estimation to handle the risk.
- Implementation of the plan.
- Person in Charge (PIC).

Meanwhile, the Corporate ERM is compiled by the Division of Compliance & Risk Management by analyzing and providing recommendations based on the risk unit ERM report froms all divisions, submission to the management (Board of Directors) will help determine the Corporate Risk Profile.

Follow Up of Corporate Risk Management

After determining the risks associated with corporate and strategic steps to be taken in addressing these risks, the Corporate & Risk Management (CRM) Division, which is responsible for corporate risk, will conduct an evaluation and monitoring that risk management activities are carried out in every unit in which a head of each risk unit is accountable for any risk and overall handling activities, becoming a measurement of the effective implementation of risk Management at Bio Farma.

The following table displays risk management activities of each corporate risk faced by PT Bio Farma (Persero) in 2015:

Managingof The Corporate Risk

NO.	EVENT	RISK MITIGATION ACTIVITIES	PIC
1.	National and International Regulatory / Policy Changes	• Ensure product development in accordance with regulatory requirements, including product development design, qualification implementation and validation • Accelerating and increasing sales of new products / merchandise to anticipate the decline in sales of Oral Polio Vaccine • Increase bulk production capacity for vaccines that have WHO prequalification and are still in demand in the market, such as Measles and Hib • Technology cooperation for IPV (Inactivated Polio Vaccine) vaccine formulation while Bio Farma is yet to produce its own • Accelerate the production readiness of the IPV vaccine itself • JPH Law strategy, the company has established a Halal Product Preparation Team to prepare and coordinate internally and externally from the company, as regulated under Circular 00718/DIR /II/2015 • Propose judicial review of the JPH Law so vaccines can be excluded from the list of products that require halal certification, considering the strategic role of vaccines for national health and the very strict regulations. • Prioritize the use of non-animal materials in new vaccine research.	QA Service Export Corporate Sales
2.		• Analyze the exchange rate to be used at the time each LC for imported goods / materials is opened and strive / always communicate with vendors on the scheduled arrival of goods / materials. • Preparation of weekly Cash Flow over a period of 3 months • Conduct natural hedging, namely balancing total foreign currency assets and foreign currency liabilities for a certain period. • Assess hedging implementation by means of forward buying of USD / IDR against future USD liabilities • Forward sales of USD / IDR against export results • Strive for the foreign exchange sales rate to be no less than, at minimum, equivalent to Jisdor or the mid-rate on the day of transaction.	Treasury

NO.	EVENT	RISK MITIGATION ACTIVITIES	PIC
3.	Investment Realization Not According to Schedule	• Add a consultant GMP planner / supervisor for building investments • Planning documents are available in the budget year • Budget term is multiyear • Improve Business Processes and increase the number and competence of human resources in the Procurement Division	Diphtheria Vaccine Production Vaccine Production and Packaging Facility Development Project
4.	Lack of Readiness for Influenza Vaccine Production During Pandemics	Set up facilities for small-scale seasonal flu vaccine that can be used from time to time to manufacture influenza pandemic vaccines if necessary and make efforts for this facility to receive GMP certification from POM, thus production can be maximized according to existing capacity, bulk stockpiling can be Implemented and maintenance technology performed. To meet demand during a flu pandemic, human clinical studies will be performed after obtaining POM GMP certification and product licensing with POM	Influenza Vaccine Production
5.	Increasing Global Competitiveness	• Prepare new vaccine products and life science products according to market demands: a. Through the development of products such as sIPV vaccine, MR vaccine, Rotavirus vaccine, Hexavalent vaccine, Hepatitis B, Pneumococcal Whole cell, Pertussis aP etc. b. Through research such as: Trastuzumab, Pam2cys delivery system, Lipovaccine, stem cell, TB vaccine, EPO, etc. • Improve existing pilot scale production facilities in order to meet GMP standards • Conduct research cooperation and technology transfer with other institutions / organizations at home and abroad to accelerate the development of new vaccines. • Cooperate with other institutions / agencies to accelerate the production optimization, pre-clinical testing processes and clinical trials • Establish pilot-scale facilities for the development of life science products that meet GMP standards • Prepare reliable Human Resources / Researchers for research and development • Prepare more advanced vaccine packaging technology, such as prefill injections. • Initiate the product registration process with BPOM so that product launch to the market is on time.	sIPV Vaccine Production
6.	Delays in Vaccine Supplies	• Optimize information technology-based supply chain management. • Optimize production schedules and QC in accordance with marketing needs. • Implement better strategy policies and supply management that adapts to changing conditions in the company. • Implement multiple suppler strategies. To ensure supply continuity when there is disruption, a flexible supply is necessary so that it is easy to switch from one supplier to another. • Implement continuous coordination with the LKPP and Health Ministry, as well as other buyers so that contracts are signed on time.	Polio Vaccine Production Packaging HiB Vaccine Production Soluble Vaccine Formulation & Filling Measles Vaccine Production
7	Improved Integration of Information Technology (IT)	• Development of integrated business applications that involves all functions of the Company. • Development of IT organizations that have a harmonious balance between centralized policy and decentralized (autonomy), accompanied by a good process change management. • Improve cooperation with third parties (outsourcing) for development and maintenance, while taking into account the cost, time, quality solutions, quality products and services, as well as flexibility. • Development of IT infrastructure to accommodate the current and future business needs.	1. Infrastructure Department Head 2. SIM Department Head

DESCRIPTION OF THE INTERNAL CONTROL SYSTEM

BRIEF DESCRIPTION OF INTERNAL CONTROL OF FINANCIAL AND OPERATIONAL ASPECTS

Internal control system is a process involving the Board of Commissioners, management and other personnel, formed to provide assurance on the achievement of such objectives:

- Reliability and validity of information.
- The Company's compliance with work plan, policies, procedures and regulations.
- Safety of assets of the Company.
- Use of resources in the most economical and efficient manner.
- Achievement of the goals and objectives of operations or programs.

Bio Farma has been carrying out monitoring and control system as mandated in the Minister of SOE Regulation No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance, article 26 and article 28.

Bio Farma will continuously seek to improve the implementation of the internal control system to safeguard all assets of the Company.

To determine the adequacy of internal controls applied by its business units, Bio Farma developed monitoring and control system in accordance with the Decree of the Board of Directors No. 05097/DIR/VIII/2012 dated 27 August 2012 on Public Policy on Internal Control. The policy covers:

a. Improvement of internal control environment in a structured and disciplined manner.
b. Implementation of assessment and management of business risks, including processes to identify, analyze, assess and manage relevant business risks on an ongoing basis.
c. Control activities to be performed at every level and unit in the organizational structure, among others, authority, authorization, verification, reconciliation, assessment of job performance, job security and the Company's assets.
d. Improvement and development of the information and communication system which includes the process of preparing reports on the operational and financial aspects and compliance with rules and regulations.
e. Monitoring of the processes of assessment of internal control system quality, including involvement of the internal audit function at every level and unit within the organizational structure of the Company.

The above activities are handled in a coordinated and proportional manner, across all sections, involving the activities of Internal Audit Unit (IAU), Division of Compliance and Risk Management, Information Technology, Division of Quality Assurance and other related parts.

CONFORMITY OF THE INTERNAL CONTROL SYSTEM WITH INTERNATIONAL FRAMEWORK (COSO)

The scope of Bio Farma's internal control system is as follows:

- Internal control environment: integrity, values and Code of Conduct, employee competence, organization and development of human resources, attention and direction given by the Board of Directors.
- Assessment and management of business risks: processes for identifying, analyzing, assessing and managing relevant business risks.
- Control activities: actions undertaken within a control process of the activities of the Company at every level and unit in the organizational structure.
- Information and communication systems including the processes of preparing reports on the operational and financial aspects and compliance with rules and regulations that apply to SOEs.
- Monitoring covers the assessment of the quality of the internal control system including the internal audit function at every level and unit within the organizational structure so that it can be implemented optimally.

EVALUATION OF INTERNAL CONTROL SYSTEM'S EFFECTIVENESS

To maintain and improve the effectiveness of supervision and internal control system, the Company evaluates its internal control system at regular intervals. The intent and purpose of the evaluation is to:

1. Provide assurance to the Board of Directors in granting assertions regarding the effectiveness of internal control, thus giving confidence to other stakeholders that the implementation of the internal control system the company has been sufficient to achieve the desired objectives, namely compliance with prevailing regulations, availability of financial information and management in a correct, complete and timely manner, as well as efficiency/ effectiveness of the Company's operations.
2. Provide recommendations to the Board of Directors concerning the improvement of the implementation of internal control systems in the future (areas of improvement).

Evaluation of the effectiveness of Bio Farma's internal control system is conducted at the entity and operational levels. Evaluation of the effectiveness of the Internal Control System is conducted periodically by internal and external auditors in accordance with the prevailing standard audit procedures. Internal Audit Unit (IAU) evaluates the audited sections while entity-wide evaluation is conducted by external auditors, i.e. the Public Accounting Firm (KAP) during the general audit after the closing of each fiscal year. Audit of the effectiveness of the internal control system is set forth in the Independent Auditor's Report on Compliance with Regulations and Internal Control.

LEGAL CASES CURRENTLY SERVED BY THE COMPANY, ITS SUBSIDIARIES, AND MEMBERS OF THE BOARD OF COMMISSIONERS AND DIRECTORS IN THE CURRENT ANNUAL REPORT YEAR

As of 31st December 2015, the Company, its subsidiaries, and members of the Board of Commissioners and Directors are not involved in both civil and criminal law proceedings. The Company's finances and operations are unaffected.

As such, Bio Farma does not disclose information on court cases/suits, and status of the cases'/suits settlements.

This demonstrates the level of compliance of the Board of Directors and the Board of Commissioners with the rules related to the Company's management as well as management's commitment to uphold the principles of good governance.

ADMINISTRATIVE SANCTIONS

In 2105, there not administrative sanctions subjected on the company, members of the Board of Commissioners, and Directors by the relevant authorities (capital market, banks, and others) in the previous financial year, nor there are statements of such administrative sanctions.

TRANSACTIONS WITH CONFLICT OF INTEREST

In 2015, there were no transactions with conflict of interest which may be detrimental to the Company.

ACCESS TO CORPORATE INFORMATION AND DATA

Bio Farma utilizes and provides various media of communications and information, including electronic media as access to effective two-way communication with stakeholders including employees and the wider public.

DISCLOSURE OF INFORMATION

Bio Farma Awarded the Public Information Transparency Award 2015



Bio Farma yet again won the Public Information Transparency Award 2015 from the Central Information Commission. The award was presented at the State Palace on Tuesday, 15th December 2015 by the President of the Republic of Indonesia, Joko Widodo, to the Director of Production of Bio Farma, Juliman.

The award, won thrice by Bio Farma since 2013, is a recognition to Bio Farma's consistent commitment to satisfy Law Number 14 Year 2008 on Disclosure of Information, which stipulates State-owned Enterprises (SOEs) to disclose information in the public's interests. Bio Farma is the runner-up in the SOE category with a score of 89.8.

Thanks to the public information service, the public's right to obtain information on the company, business processes, governance, financial statements, corporate social responsibilities, and other relevant information is satisfied.

The Central Information Commission-led strict assessment began in November 2015 with the Self-Assessment Questionnaire (SAQ) to gauge Public Entities' adherence to the disclosure of information law.

In its later stages, the Commission visits the given Legal Entity to assess its Public Information Service and Information Management and Documentation.

Bio Farma has submitted the forms and supplied proof of disclosure of information law activities as stipulated in the Law No. 14 Year 2008 on disclosure of information law. Bio Farma has also implemented public information transparency measures shortly after the disclosure of information law Law took effect in 2009.

Bio Farma has procedure and mechanism are comprehensive and revised annually. Bio Farma has also drafted clarifications on public information, consisting of regular updates, urgent information, and statutory information.

EXTERNAL COMMUNICATION

Bio Farma maintains a corporate website, www. biofarma. co.id, which presents a complete information about Bio Farma through its company profile, vision, mission, strategies, products, management structure, corporate governance policies, code of conduct, news, annual reports, sustainability reports and media releases. Bio Farma's website features the latest information in a transparent, consistent and targeted manner, so as to create a good understanding in the public of Bio Farma. The Corporate Secretary is responsible for ensuring that the information submitted through the website is timely, accurate, complete and does not violate the prevailing regulations.

In addition to online media, the Company also utilizes TV and radio for adlibs / radio spots, information on Bio Farma and talk shows. In addition, Bio Farma also uses outdoor media, such as digital wall magazines. This digital media presents photographic information on the activities of the Bio Farma management.

Print media is used to disseminate information such as news and financial statements. Published news relates to Company activities that the public need to know, such as annual reports, company profiles and brochures.

During 2015, Bio Farma issued 36 press releases, as detailed below:

Press Releases in 2015

NO.	TITLE OF PRESS RELEASE	DATE	CATEGORY
1	Bio Farma Launches Work-Life Balance Program	16 January 2015	Corporate
2	Bio Farma Again Held Emission Test 2015	22 January 2015	Corporate
3	Bio Farma Receives Domestic Medicine Development Innovation Award	13 February 2015	Corporate
4	Bio Farma Receives Green Global Award 2015 in Germany	27 March 2015	CSR
5	Turn Off The Lights Turn On The Sky	28 March 2015	Corporate
6	**Bio Farma Signs MoU in National Innovation Forum 2015**	13 April 2015	Corporate
7	Bio Farma Implements Baduy Culture	16 April 2015	Corporate
8	Public Relations Practicioners Supports MEA Readiness in West Java	30 April 2014	Corporate
9	Bio Farma Develops Typhoid Vaccine	01 May 2015	Corporate
10	Bio Farma Support Typhoid Prevention in Indonesia	01 May 2015	Corporate
11	9th International Conference on Typhoid, Invasive NTS DiseaseHeld in Bali, Indonesia	01 May 2015	Corporate
12	9th International Conference on Typhoid, Held in Bali, Indonesia	01 May 2015	Corporate
13	Bio Farma Gives Education Aid Package	03 July 2015	CSR
14	Bio Farma Ready to Help Homecomers 2015	13 July 2015	Corporate
15	Bio Farma Inaugurates Pakidulan House of Batik	31 July 2015	CSR
16	Bio Farma Hadir Untuk Negeri Held 2015 Health Ambassador of Central Java Pageant	16 August 2015	Corporate
17	Bio Farma Appointed the 2015 Health Ambassador of Central Java	16 August 2015	Corporate
18	Bio Farma Celebrated Republic of Indonesia Independence Day By Holding a Special Health Program in Central Java	16 August 2015	Corporate
19	Bio Farma Participates in 2015 Autumn Fair Expo	06 September 2015	Corporate
20	Bio Farma Launches Blood Drive Event	17 September 2015	Corporate
21	Bio Farma Achieved 3rd Place in Annual Report Award 2014	22 September 2015	Corporate
22	Bio Farma Prepares 1,945 Blood Bags for PMI	29 September 2015	Corporate
23	Book Launching "Life Science For A Better Life"	15 October 2015	Corporate
24	Bio Farma **initiated the Preservation of Pure Breed Garut Sheep**	15 October 2015	Corporate
25	Bio Farma Contributes to the Country Foreign Exchange	21 October 2015	Corporate
26	**Bio Farma Held SVJ Batch IV in Manado**	2 November 2015	Corporate
27	Bio Farma Hosts SOEs GCG FGD	13 November 2015	Corporate
28	Bio Farma Achieved Highest SOE GCG Score	13 November 2015	Corporate
29	**Gold Proper: Bio Farma Again Achieved Golf Proper Award**	24 November 2015	Corporate
30	**Ministry of Health Inaugurated Polio Eradication Task Force**	30 November 2015	Corporate
31	Bio Farma Received KPI Award 2015	16 December 2015	Corporate
32	Bio Farma Achieved 1st Runner Up in Sustainability Reporting Award	16 December 2015	Corporate
33	Bio Farma Inaugurate Heritage Area Restoration	16 December 2015	Corporate
34	Bio Farma Held Vendor Gathering	08 December 2015	Corporate
35	Bio Farma Held Writing and Photography Competition Briefing	18 December 2015	Corporate
36	Bio Farma In Cooperation With LIPI Develops Second Generation Erythropoieti	28 December 2015	Corporate

Bio Farma also distributes press release not only domestically but internationally via ACN Newswire network, quoted by various international media companies, especially in Asia and the Middle East.

Company Visits

The Company welcomes outside parties to site visits which are aimed at introducing the Company to them and educate them about the importance of vaccination. Guests visiting Bio Farma in 2015 came from within and outside of Java, with a total of 77 groups visiting the Company last year.

YEAR	NUMBER OF GUESTS VISITED (PEOPLE)
2014	4,211
2015	4,639

INTERNAL COMMUNICATIONS

Ease of access to internal communication is key to the smooth dissemination of information about the Company and as a means to build the Company's internal solidity. The success of internal communication is supported by the communications media used and content of information disseminated. Thus, all employees can understand the information that is delivered quickly and effectively to them.

Intranet Portal

Bio Farma maintains an intranet portal as a means of internal communication for its employees. Content of the portal includes dissemination of policies, rules and guidelines related to corporate governance and other operational activities.

News Clippings

The Company regularly distributes news clippings related to the Company to the Board of Directors and employees through its intranet network. In 2015 a total of 1,635 news pieces were distributed.

Bio Magzs Buletin

Bio Magzs is a quarterly internal bulletin that contains information on the Company's activities and is distributed as an e-bulletin. During 2015, it was published 4 times

VOLUME	PERIODE	THEME
Vol.1	January-March 2015	Biotechnology toward 2020
Vol.2	April-June 2015	Biotechnology for Sustainability
Vol. 3	July-September 2015	Proper Gold
Vol. 4	October-December 2015	Important Facts about Immunization

Newsletters

Newsletters containing public information are distributed via e-mail and posted on the bulletin board.

YEARS	NUMBER OF NEWSLETTERS (EDITIONS)
2014	150
2015	125

Coffee Morning

Morning Coffee is an informal knowledge sharing activity are conducted every 3 months and attended by the Board of Directors, Heads of Division, Heads of Department concerned with the internal organization. In addition to internal sources, in some occasions speakers from outside the Company are invited to broaden the employees' knowledge.

NO.	DATE	THEME	NARASUMBER
1.	17 April 2015	Screening of Trypsin and analysis of the activation mechanism for cell based influenza A Virus production.	Viska Indriani Iskandar
2.	17 April 2015	Study of serum-Free media For Dengue Virus Type 2 (DENV-2) Production.	R, Zainullah Ramdan A
3.	5 June 2015	Transgenic Mice & Embryonic Stem Cell.	Dedy Kurniawan
4.	5 June 2015	Induced Pluripotent Stem Cell (iPS).	Wirening Ayuningtyas
5	13 August 2015	Advance Vaccinology Training IVI	Christian Budiman Sutedja, dr
6	13 August 2015	Advance Vaccinology Training IVI	Dicky Mahardika, Ssi
7	30 October2015	The KAIZEN Theory	Sophia Dwiyanti Issanto Putra
8	27 November 2015	Promotion of the Innovation Management Report	Yudiana Taufik

Intranet Announcement

Intranet (e-mail) is used for disseminating information on activities, announcements and news, such as those concerning human resources and internal organization, the announcement of efficiency and energy conservation measures, blood donation activities, obituaries, etc.

Bio Farma's Information Service Center

Bio Farma maintains an information service center for its customers through a variety of interactive communication media, where customers and communities may submit their opinions, complaints or questions via:

Menu Customer Care
pada website perusahaan www.biofarma.co.id
Portal Kementerian BUMN:
http://www.bumn.go.id/biofarma/kontak-kami/
Corporate blog: **www.infoimunisasi.com**
Telepon: **(62-22) 2033755**
Faksimile: **(62-22) 2041306**
Email: **mail@biofarma.co.id**
Facebook: **infoimunisasi**
Twitter: **@biofarmaID, @infoimunisasi**

CODE OF CONDUCT

EXISTENCE OF CODE OF CONDUCT

All elements of Bio Farma (Board of Commissioners, Supporting Organs of the Board of Commissioners, Board of Directors, and all employees of the Company) are required to enforce the principles of Good Corporate Governance in the day-to-day management of the Company. To that end, the Board of Directors of Bio Farma has issued the Decree of the Board of Directors No. 00223/Dir/I/2009 dated 12 January 2009 on the Code of Conduct, Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-05/DK/BF/II/2013, No. 01024/DIR/II/2013 dated 22 February 2013 on the Code of Conduct of PT Bio Farma (Persero), as amended by the Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-07/DK/BF/III/2014, No. 01103/DIR/III/2014 dated 6 March 2014 on the Amendment of the Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-05/ DK/BF/II/2013, No. 01024/DIR/II/2013 on the Code of Conduct of PT Bio Farma (Persero).

The Code of Conduct is a guideline for all elements of Bio Farma to align their attitude and behavior accordingly in carrying out everyday tasks as well as in interacting with co-workers, business partners and other parties concerned. Bio Farma's working environment is thus expected to become a professional working environment that is also convenient, so that all employees' potentials can be optimized.

Contents of the Code of Conduct

The Code of Conduct is a form of commitment of Bio Farma in the framework of the implementation and enforcement of good corporate governance and a set of commitments concerning obligations, prohibitions and relations with other stakeholders.

Code of Conduct regulates the obligations that must be adhered to by every element of Bio Farma, and this contains:

a. Chapter II Business Ethics: How the Company Does Business.
b. Chapter III Work Ethics: Conduct of the Management and Employees.

BUSINESS ETHICS, THE WAY THE COMPANY DOES BUSINESS

1	Ethics towards offenders
2	Ethics towards suppliers/business partners
3	Ethics towards creditors
4	Ethics towards competitors
5	Ethics towards the mass media
6	Ethics towards law enforcers
7	Ethics towards the Government of Indonesia
8	Ethics towards communities and the environment
9	Ethics towards employees
10	Ethics towards shareholders

WORK ETHICS, MANAGEMENT AND EMPLOYEE BEHAVIOR

1	Compliance with the law
2	Conflict of interest
3	Giving & accepting gifts, souvenirs, meals, entertainment, donations & other facilities
4	Equal opportunities to employment and promotions
5	Care for occupational health & safety, and environmental conservation
6	Recording & compiling Company data and financial statement integrity
7	Protecting Company information
8	Protecting Company assets
9	Political activity
10	Immoral behavior, narcotics, illegal drugs & gambling
11	Ethical behavior for management & employees

DISCLOSURE CONCERNING THE CODE OF CONDUCT'S APPLICABILITY TO ALL LEVELS IN BIO FARMA

All elements of Bio Farma should be committed to aligning themselves with the working culture and value systems of the Company. Therefore, all elements of Bio Farma are obliged to implement the desirable attitudes and behaviors at work in accordance with the system of values and work culture adopted by the Company, as codified in the Code of Conduct. The successful implementation of the Code of Conduct is the responsibility of every element of Bio Farma in the environment of each business unit.

On 22 April 2015, held at the the GSG, Bio Farma internalized and disseminated the Decrees No. KEP- 05/DK/BF/II/2013, No. 01024/DIR/II/2013, as amended by the Joint Decrees No. KEP-07/DK/BF/III/2014 and No. 01103/DIR/III/2014 dated 6 March 2014 on the Code of Conduct of PT Bio Farma (Persero). The event was attended by all elements of Bio Farma and concluded with the signing of the Statement of Compliance with the Code of Conduct.

Once a year all elements of Bio Farma are required in writing to express their willingness to obey and execute every part of the Code of Conduct, which is embodied in the statement of compliance signed by every member of Bio Farma as a condition for continued employment with the Company.

DISSEMINATION OF THE CODE OF CONDUCT

The Company disseminates its Code of Conduct to provide all of its elements with an understanding and awareness to implement the Code of Conduct. The Code of Conduct has been disseminated in the following manner:

- Each element of Bio Farma is given a handbook and requested to sign the integrity pact which stipulates their commitment to implementing the Code of Conduct of PT Bio Farma (Persero).
- The management made employees understand and aware of the Code of Conduct by means of socialisations and general meetings.
- Application of the code of conduct consists of a questionnaire on employees' understanding of the code of conduct.

Efforts to Enforce and Sanctions for Code of Conduct Violations

Enforcement and sanctions for violators of the Code of Conduct are stipulated in the Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-05/DK/BF/II/2013 and No. 01024/DIR/II/2013, as amended by the Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-07/DK/BF/III/2014 and No. 01103/DIR/III/2014 dated 6 March 2014 About the Code of Conduct of PT Bio Farma (Persero) Chapter IV: Mechanisms of Code of Conduct Enforcement, Including Reporting and Sanctions for Violations, sub-section 4.4: Handling of Alleged Violations of the Code of Conduct and sub-section 4.5: Sanctions for Violations of the Code of Conduct. They essentially stipulate the following:

Enforcement and sanction for violations of the code of conduct are implemented through the Bio Farma Whistleblowing System. The mechanism for reporting violations is as follows:

1. In case of violation of the Code of Conduct, any element of Bio Farma is obliged to report the violation:
   - To their immediate supervisor.
   - Through the Violation Reporting Box/ Whistleblowing System.
2. Reporting of violation should be based on good faith and not on ill will or slander.
3. Besides by parties internal to the Company, reporting of violations of the Code of Conduct can also be done by external parties such as the Company's customers, business partners and other stakeholders.

4. Reporter should state clearly their identity and back their report with the relevant supporting evidence for the alleged violation of the Code of Conduct.
5. The Company will retain the identity of the reporter in accordance with the applicable procedures.
6. The Company is obliged to follow up reports that may cause material loss to the Company and/ or may damage its image, in accordance with the applicable procedures.

HANDLING OF ALLEGED VIOLATIONS OF THE CODE OF CONDUCT

Authority to Handle Alleged Violations of the Code of Conduct

The authority to handle the alleged violations of the Code of Conduct is given in stages, where the party that handles alleged violations should be led by someone who is one level higher than the alleged perpetrator.

Alleged Violations of the Code of Conduct Handling Team

ALLEGED PERPETRATOR	OFFICERS HANDLING THE REPORT
Bio Farma members aside from Head of HC Division, Commissioners, and Directors	- Coordinator: Head of HC Division - Members: Officers of the CRM Division, IAU, HC Division, upon assignment by the Human Resources Director or the President Director
Head of HC Division, Commissioners, and Directors	President Director
Directors	Board of Commissioners

SANCTION FOR VIOLATIONS OF THE CODE OF CONDUCT

Any employee of Bio Farma that has been proven to have violated the Code of Conduct will be given a sanction in accordance with the applicable provisions of the Company, under the following conditions:

1. Penalties for employees who violated the Code of Conduct are determined by the Board of Directors.
2. Penalties for members of the the Board of Commissioners, Directors and Supporting Organs of the Board of Commissioners who violated the Code of Conduct are determined by the Board of Commissioners.
3. If the violation is committed by an external party (suppliers, business partners or other stakeholders), it will be subject to the provisions set forth in the contract and the relevant procedures. If there is any indication of criminal offense, the Company may forward it to the police. The decision regarding the sanctions for violations committed by employees, Directors, Commissioners and members of the supporting organs of the Board of Commissioners is determined based on the following considerations:

a. Ramifications of the violation:
   - Violation of the laws and regulations as well as corporate regulations.
   - Losses for the Company and/or other parties both financially and non-financially.
   - Disruption of the running of the processes or activities in the Company.
   - Disturbance to the security and/or safety of Bio Farma's elements or other parties.
   - Libel for Bio Farma or its employees or other parties.
   - Violation of the decency and norms prevailing in the community and/or the rights and dignity of other individuals.

b. Degree of intentionality:
   - Whether the violation was made intentionally or not.
   - Whether the alleged perpetrator has previously received warning regarding their violation.
   - Motivation: whether there is any financial or non financial motivation behind the violation.

Number of code of conduct violations and the penalties given in 2015

There were no violations of the code of conduct nor there were penalties given in 2015

Sanctions for violations committed by employees will depend on the severity of the violation, which is divided into mild, moderate and severe. The types of warning given include verbal warning, warning letter (I, II and III) and layoff. Layoff is conducted in accordance with the applicable labor regulations.

Sanctions for violations that may apply to employees are as follows:

a. Reduction to the merit component for determining their salary.
b. Reduction to their incentive.
c. Postponement of their periodic salary increase or promotion, demotion.
d. Suspension (layoff).
e. Termination of employment.

If the violation is committed by a member of the Board of Directors, the Board of Commissioners and/or supporting organs of the Board of Commissioners, and if it has been proven, the penalty depends on the severity of the violation and the ramifications. The decision on the sanction is established by the Board of Commissioners.

Enforcement

Enforcement of the Code of Conduct is stipulated in the Collective Labor Agreement (CLA) between the Company (Bio Farma) with the Bio Farma Employees Association (Hika BF) in Chapter XVII: Discipline and Work Rules, Articles 69 to 81. For the Board of Directors and Board of Commissioners, this is set in the Articles of Association of Bio Farma, which has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia through Decree No. AHU-61576.AH.01.02 Tahun 2008 dated 12 September 2008 on the Approval of Amendment of the Articles of Association of the Company.

CONFLICTS OF INTEREST

A conflict of interest is a situation in which Bio Farma Employees have or suspected to have vested interests in the usage of their positions and authorities which affect the quality of decisions and/or actions.

According to the Minister of SOE Regulation No. PER-01/MBU/2011, the Board of Directors of SOE is prohibited from having conflicts of interest and personal benefit, either directly or indirectly from the decisions and activities of said SOE other than their official income.

Guidelines on Managing Conflicts of Interest is stipulated in the Directorial Decree of PT Bio Farma (Persero) No. 07882/DIR/XII/2015 dated 30th December 2015. The guidelines' aims and objectives are to assist Bio Farma Employees to understand, prevent, and manage Conflicts of Interest within the Company. The guidelines also serve as reference points to take firm positions against Conflicts of Interest within the Company and to ensure a management free from all forms of Corruption, Collusion, and Nepotism.

In relation to these provisions, all members of the Board of Directors of Bio Farma signed a Statement of No Conflict of Interest on 28 April 2015, whose contents are as follows:

Conflicts of Interest Statement

In order to uphold the Good Corporate Governance (GCG) in PT Bio Farma (Persero), I hereby declare that I:

1. Have never done any despicable acts in banking, finance and other businesses, has never been convicted of felony nor received any sanctions which prohibit me from taking part as the Company's management, as stipulated in the prevailing rules and regulations.
2. Am able to perform legal actions and has never been declared bankrupt or become a member of the Board of Directors or Board of Commissioners that were found guilty of causing a company to be declared bankrupt by a court decision in the last 5 years before the date of my appointment.
3. Am willing to not hold other positions as:
   a. Member of Board of Directors in another SOE, Regional SOE, Private Owned Enterprises, and other positions which may cause conflict of interest;
   b. Other positions in accordance with the prevailing regulations.

4. Shall fully implement the principles of good corporate governance that emphasizes the principles of transparency, accountability, responsibility, independence, and fairness in the management of the Company.
5. Do not have a relationship in the management, ownership and/or finances of the entire business group of the Shareholders of similar companies.
6. Will not perform transactions in any form, either directly or indirectly through another party where I or my family has an interest in, or may benefit from.
7. Will not serve as a member of the board of any political parties and/or candidates/members of the legislature and/or the candidate or the Head/ Deputy Head of Local Government.
8. Am not be related by blood to the 3rd degree either vertically or horizontally or as a result of marriage with any members of the Board of Directors or the Board of Commissioners.
9. Will wholeheartedly avoid any conflict of interest that may affect the decision-making process in the Company's operations.

If in the future I am found to have made these statements untruthfully, I am willing to be penalized under the applicable regulations.

Throughout 2015, there were no events related to conflicts of interest regarding the members of the Board of Commissioners and Board of Directors.

Donation to Social and Political Activities

The Company does not engage in any form of political activity and does not give donations to political interests. In contrast, a high concern for social and environmental issues is an essential part of the duties and responsibilities of the Company towards its stakeholders and society at large. For that, Bio Farma perform a variety of social and environmental activities through CSR (Corporate Social Responsibility) independently or through the Partnership and Community Development Programs.

STATEMENT ON CORPORATE CULTURE

Corporate Culture

Bio Farma, in developing its business operations, requires a corporate culture in the form of written guidelines, which can be used as a reference for organs of the Company in carrying out their duties and obligations. The guidelines containing these Corporate Values are established by the Joint Decree of the Board of Commissioners and the Board of Directors No. KEP-07/DK/BF/III/2014 and No. 01103/DIR/III/2014 dated 6 March 2014 on the Amendment of the Joint Decrees of the Board of Commissioners and the Board of Directors of PT Bio Farma (Persero) No. KEP-05/ DK/BF/II/2013 and No. 01024/DIR/II/2013 on the Code of Conduct of PT Bio Farma (Persero). The corporate culture has been formulated as "PITIC", with the following description:

EACH ORGAN OF THE COMPANY WHICH BEHAVES AND THINKS IN A PROFESSIONAL, HIGH INTEGRITY, WORKING IN A TEAM, FULL OF INNOVATION AND ORIENTED TOWARDS CUSTOMER SERVICE.

P = Professional
Committed to carrying out all duties with full responsibility, efficiency, effectiveness, forward looking orientation, and compliance with procedures.

I = Integrity
Honest, transparent and credible in accordance with the objectives of the Company.

T = Teamwork
In cooperation with respect to the role and the opinions of others.

I = Innovation
Make improvements and continuous development to result in new ideas.

C = Customer Oriented
Understand the needs and provide the right solutions to customers.

In its effort to improve its corporate culture, Bio Farma has conducted an employee satisfaction survey on 904 from a total of 1480 respondents in 2014. The results of the employee satisfaction survey are expected to serve as:

1. Data on the employee needs from Bio Farma.
2. Data on organisational weaknesses from employees' observations.
3. Policy recommendations on employee needs and organisational weaknesses observed by consumers and stakeholders.

Following the conclusion of the culture value assessment, the Company plans to implement systematic and comprehensive programmes on internalisation of corporate values based on internal corporate activities. The process is expected to instil strong values in each employee and becomes part of the positive culture to drive Company growth.



WHISTLEBLOWING SYSTEM

The Whistleblowing System (WBS) is a system that manages complaints or reports regarding unlawful behaviors, unethical acts/improperly in secret, anonymous, and independent manner. WBS is used to optimize the participation of Bio Farma individuals (Board of Commissioners, Supporting Organs of the Board of Commissioners, Board of Directors and all employees of the Company) and other parties in reporting violations occurring within the Company.

This system shall be based on the value of corporate culture which states that every organ of the Company acts and thinks professionally, has integrity, upholds teamwork, is innovative and oriented towards customer service. Thus, the Whistleblowing System is testament to the implementation of the cultural values in the Company.

The added value achieved by the Company through the implementation of this program is the system of supervision and internal control that can detect the occurrence of operational risk, especially early detection of frauds, allowing the Company to be able to cope with risky events promptly.

LEGAL BASES OF THE WHISTLEBLOWING SYSTEM

Legal Bases of the Whistleblowing System (WBS) Policy

1. Law No. 28 Year 1999 on Organisation of Clean Government and Corruption-free, Collusion-free, and Nepotism-free Government (State Gazette of the Republic of Indonesia Year 1999 Number 75, Supplement to the State Gazette of the Republic of Indonesia Number 3851).
2. Law No. 31 Year 1999 as amended by Law No. 20 Year 2001 on Eradication of Corruption.
3. Law No. 19 Year 2003 on State-owned Enterprises (State Gazette of the Republic of Indonesia Year 2003 Number 70, State Gazette of the Republic of Indonesia Number 4297).
4. Law No. 13 Year 2006 on Protection of Witnesses and Informants.
5. Law No. 40 Year 2007 on Limited Liability Companies.
6. Government Regulation No. 1 Year 1997 on the Change of Incorporation of Bio Farma from a Public Company to a Limited Liability Company (Persero)
7. Government Regulation No. 45 Year 2005 on the Establishment, Management, Supervision, and Dissolution of SOEs.
8. SOE Ministerial Regulation No. PER-01/MBU/2011 dated 1st August 2011 on Implementation of Good Corporate Governance in SOEs.
9. Bylaws of PT Bio Farma (Persero).
10. Secretarial Letter of the SOE Ministry No. S-16/S.MBU/2012 dated 6th June 2012 on Indicators/Parameters of Assessment and Evaluation of Good Corporate Governance Implementation in SOEs.
11. Collective Labour Agreement (CLA) between PT Bio Farma (Persero) and Labour Union for the 2012-2014 Period, dated 31st May 2012.
12. Joint Decree of the Board of Commissioner and Directors of PT Bio Farma (Persero) No. KEP-04/DK/BF/II/2013 - No. 01023/DIR/II/2013 dated 22nd February 2013 on Guidelines on the Implementation of GCG in PT Bio Farma (Persero).
13. Codes of Conduct of PT Bio Farma (Persero).

As of 2013, the Whistleblowing System (WBS) in Bio Farma is stipulated by the Directorial Decree of PT Bio Farma (Persero) No. 01026/DIR/II/2013 dated 22nd February 2013 on Policy on the Implementation of Violation Reporting System (Whistleblowing System) in PT Bio Farma (Persero).

Aims of the Policy

1. To guide the management of violation reports from both inside and outside the Company, ensure external violation reports, and ensure the effectiveness of the Whistleblowing System.
2. To disclose violations of ethics and legal norms within the Company.
3. To serve as chilling effect in the event of frauds, legal and ethical violations, and other misconducts. The policy also assists in detecting and reporting future misconducts.
4. To provide the opportunity to settle issues internally before publicly known.

5. To reduce organisational risks from financial, operational, legal, safety, and reputation damages.

Scope of the Guideline

The policy is effective on Bio Farma Employees given the following conditions:

1. Violation Whistleblowers are Bio Farma Employees and other Stakeholders.
2. Violators are Bio Farma Employees suspected of violations.
3. Violation Reporting System is used if complaints/ disclosures are considered ineffective when reported using formal channels (to direct superiors or relevant functionaries).

GENERAL CRITERIA OF VIOLATION REPORTS

1. Whistleblowers may opt to use discernible identity (name, address, contact number) or remain anonymous. Reports are submitted using available channels.
2. Contents of the suspected violations consist of:
   a. Type of violation reported
   b. Violators and their accessories
   c. Location of violation
   d. Time of violation
   e. Chronology of the violation
   f. Damages/effects of the violation
   g. Supporting evidence

MECHANISM OF THE WHISTLEBLOWING SYSTEM

1. Admission of Complaint
2. Formation of Complaint Administration
3. Formation of the Whistleblowing System (WBS) Management Team
4. Formation of the Investigation Team
5. Communication with the Whistleblower
6. Monitoring of Complaint Handling

SUBMISSION OF REPORTS

Delivery mechanisms to report violations or disclose unlawful acts, unethical / immoral or other prohibited behavior that could damage the company are set out in Board of Directors' Decree No. 01 026/DIR/II/2013, as follows:

1. The mechanism to report violations is basically through formal channels, namely to a direct supervisor and to related functions, such as the HR Division and Internal Audit Unit. However, if the person making the report views these means to submit a complaint as being ineffective or if they are in doubt, the complaints can be submitted through the Whistleblowing System (WBS).
2. Alleged violations that can be reported through the WBS are: corruption, fraud, theft, bribery and/ or receiving of bribes, gratuities, conflict of interest, violation of laws and policies/procedures of the Company. Reporting Suspected Violations must be in good faith and not grounded on personal displeasures of certain Company policies or based on bad faith or intent of slander/libel
3. Whistleblowers are Employees (Internal Parties) while not limiting external parties (customers, suppliers, general public) to be Whistleblowers.
4. Whistleblowers may be appointed as Witness if he was observing or listening or personally experiencing the reported violation.
5. Whistleblowers using the Whistleblowing System may opt to use discernible identity (name, address, email, fax, contact number) or remain anonymous.
6. The report must be accompanied by supporting evidence of the violation, which must convey, among others:
   a. The subject matter of the complaint;
   b. Parties involved, ie anyone who is involved in the infringement complained of included parties that are harmed or benefit from the case;
   c. Time and location of the violation, the time and date the violation took place and the unit or function in the Company in which the violation took place;
   d. Chronology of the case;
   e. Supporting documentation for the case.

7. Whistleblowing Officials receive, register, and administer Whistleblowing Reports submitted by e-mail, traditional mail, and drop box to be forwarded to the Directors as the WBS Management Team for suspected violations by employees. If the suspected violations are done by the Directors, Board of Commissioners, or supporting organs of the Board of Commissioners, such reports must be submitted directly to the Board of Commissioners. Violation Reports must be sent directly to the President Director if the Informant observed that the violation is done by the WBS Management Team or employees. Reports must be sent directly to the President Commissioner for suspected violations by the Directors, Board of Commissioners, or supporting organs of the Board of Commissioners.

PROTECTION FOR WHISTLEBLOWERS

The Company provides protection to the whistleblowers, as follows:

a. Protection of the confidentiality on the identity of the whistleblower.
b. Protection of the whistleblower from reprisals from the reported party.
c. Protection of the whistleblower from the dismissal, demotion, or postponement in their periodic increase in grade, work pressure, or physical action.
d. Protection from having an adverse record included in their personal data file.
e. Information on the follow-up process that is being carried out, conveyed confidentially to the whistleblower.

If necessary, the whistleblower may request assistance from the Witness and Victim Protection Agency (LPSK).

Policies for the protection and guarantee of confidentiality are not granted to Whistleblowers proven to have made false reports and / or committed defamation. Should the investigation results conclude that the Whistleblower has submitted a false report that is slanderous and without clear basis, the Whistleblower may be prosecuted or sanctioned in accordance with applicable legislation or the Company's internal regulations.

COMPLAINT HANDLING

Complaint Handling / Reporting Alleged Violations is regulated through Board of Directors' Decree No. 01026/DIR/II/2013 dated 22 February 2013.

Handling Reports of Alleged Violations

Receiving Reports of Alleged Violations

a. Reports of alleged violations (whistleblowing) committed by employees should be addressed to the Board of Directors via:
   - Email: pelaporan.wbs@biofarma.co.id
   - Official letter addressed to the Board of Directors either delivered in person or sent by post to:
   - PT Bio Farma (Persero) Board of Directors
   Attn: Whistleblowing Management Team
   Jalan Pasteur No. 28, Bandung 40161
   - Drop Box in the company's offices
b. Reports of alleged violations committed by the Board of Directors, Board of Commissioners or Supporting Bodies to the Board of Commissioners should be addressed to the Board of Commissioners and submitted by:
   - Email: pelaporan.wbs@biofarma.co.id
   - Official letter addressed to the Board of Directors either delivered in person or sent by post to:
   PT Bio Farma (Persero) Board of Commissioners
   Attn: Whistleblowing Management Team
   Jalan Pasteur No. 28, Bandung 40161
   - Drop Box in the company's offices
c. The Whistleblowing Admin appointed by the Company shall receive, register and follow up on Reports of Violations (Whistleblowing) in accordance with established methods. If the Whistleblowing recipient receives information outside the prescribed paths, then the report must be processed using the prescribed paths. The Whistleblowing Admin is responsible for maintaining the confidentiality of the Whistleblower. The Whistleblowing Admin is responsible to the President Director.

Handling Reports of Alleged Violations

a. The Whistleblowing System (WBS) Management Team receives reports and verifies any supporting documents submitted by the Whistleblower.

b. Compiles the Statement of Verification, which contains a summary and recommendation to the President Director / Board of Commissioners (depending on the reporting route) on whether or not the report submitted by the Whistleblower has sufficient evidence for further action to move to the next stage.
c. Submits the Statement of Verification to the President Director / Board of Commissioners (depending on the reporting route) and, if necessary, makes a presentation to the President Director / Board of Commissioners.
d. The Board of Directors or Board of Commissioners studies the report and the conclusions of the Whistleblowing System (WBS) Management Team, along with the supporting evidence, to establish whether the report needs to be followed up to the investigation stage or closed.
e. Verification by the Whistleblowing System (WBS) Management Team of the submitted alleged violation must be undertaken within a period of 30 (thirty) working days and can be extended by no longer than a further 30 (thirty) days.
f. In the case that the Board of Directors / Board of Commissioners decides that there is insufficient evidence to move ahead with the alleged violation to the investigation stage, this decision shall be conveyed to the Whistleblowing System (WBS) Management Team. Further the Whistleblowing System (WBS) Management Team shall inform the Whistleblower of this decision.
g. In the case that the Board of Directors / Board of Commissioners decides that there is sufficient evidence to move forward with the alleged violation to the investigation stage, the Statement of Verification and supporting documents shall be submitted to the Investigation Team.

Follow up to Reports of Alleged Violations

a. Investigation Team
   1. The Investigation Team receives the report from the Whistleblowing System (WBS) Management Team.
   2. The Investigation Team will then conduct its investigation. The Investigation into the alleged violation by the Investigation Team shall take place within 30 (thirty) working days and can be extended for no longer than a further 30 (thirty) working days.
   3. A Statement of Investigation shall be made and submitted to the President Director (for alleged violations by employees) or to the Board of Commissioners (for violations allegedly by Directors, the Board of Commissioners or the Supporting Bodies to the Board of Commissioners); if required, the Investigation Team shall present its work to the Board of Directors / Board of Commissioners.
   4. Documentation shall be made of the entire investigation process as related to supporting evidence, working documents, minutes of meetings and other documentation.
b. Board of Directors
   1. The Board of Directors receives the report of alleged violations from the Whistleblowing System (WBS) Management Team.
   2. The Board of Directors assigns an investigation team to conduct the investigation.
   3. The Board of Directors shall study and make a decision based on the Statement of Investigation.
   4. A decision on the investigation results shall be submitted by the Board of Directors to the Whistleblowing System (WBS) Management Team in accordance with the appropriate reporting route and this decision passed on to the Whistleblower.
   5. Documentation shall be made of the entire investigation process as related to supporting evidence, working documents, minutes of meetings and other documentation.
c. Board of Commissioners
   1. The Board of Commissioners shall receive the report from the Whistleblowing System (WBS) Management Team on alleged violations committed by the Board of Directors / Board of Commissioners
   2. In follow up, the Board of Commissioners shall investigate in accordance with the principles established in the Whistleblowing System Guidelines.
   3. The Board of Commissioners studies the report and makes a decision based on the Statement of Investigation.
   4. This decision on the investigation results shall be submitted by the Board of Commissioners to the Whistleblowing System (WBS) Management Team in accordance with reporting routes and passed on to the whistleblower.
   5. Documentation shall be made of the entire investigation process as related to supporting evidence, working documents, minutes of meetings and other documentation.

Communicating with the Whistleblower

a. Communication with the Whistleblower shall be through the Whistleblowing System (WBS) Management Team. Through this communication, the whistleblower shall be informed of the handling of the case and whether or not it is to be followed up.
b. If the whistleblower is an employee of the Company, then the Company shall provide information on developments in the handling of the alleged violation. This information is provided bearing in mind the right to confidentiality between the whistleblower and the company. Any leak of confidential information from the whistleblower shall nullify the Company's obligation to maintain the confidentiality provided to the whistleblower and, in certain cases, can result in the whistleblower losing their protection.
c. In the case that the whistleblower is not employed by the Company, the communication policy may be provided to the whistleblower. This will occur if the whistleblower agrees to sign a written agreement to maintain the confidentiality of information provided by the Company or to the Company.

Handling of Alleged Violation Report Results

a. Upon the recommendation of the Investigation Team, the Board of Directors shall impose sanctions according to prevailing regulations. If the results of the investigation prove guilt, sanctions will be in accordance with the prevailing provisions in the Company. If the results of the investigation prove the existence of violations that break the law, these will be followed up with the appropriate legal process through law enforcement agencies. If the results of the investigation show no evidence of a violation, then the party under investigation shall be declared innocent.
b. Upon the recommendation of the Board of Commissioners, should the claim involve a Director, the Commissioners shall follow up in accordance with prevailing regulations. If the case involves a Commissioner, then the Shareholders shall follow up in accordance with prevailing regulations.
c. If the case is unproven or has ended, the complaint report shall be closed and entered in the Follow Up Completed Records.

Reporting Suspected Violations

a. The Whistleblowing System (WBS) Management Team shall monitor the handling of Violation Reports.
   - The Whistleblowing System (WBS) Management Team shall make periodic reports to the Board of Directors / Board of Commissioners in accordance with the Whistleblowing reporting routes on the number of submissions, investigations and completed cases.
b. The Board of Directors shall report to the Board of Commissioners periodically on developments to the Suspected Violations Reporting System.
c. A summary of developments to the Suspected Violations Reporting System shall be reported in the Annual Report.

Monitoring and Evaluation

To ensure effective implementation of the Suspected Violations Reporting System, monitoring and assessment of the Suspected Violations Reporting System is required periodically, no less than once a year. This is implemented to fulfill the target established when the system was first designed and also to ensure that the system's achievements are in line with the Company's business demands and prevailing regulations and legislation. This monitoring and assessment is conducted by the Board of Directors through the Internal Audit Unit, or by an independent outside party. The monitoring and assessment is conducted to generate recommendations to improve the Suspected Violations Reporting System and to monitor the recommended improvements. The results of the monitoring and assessment are entered into a report submitted to the Board of Directors.

Disseminating Information on the Whistleblowing System

The Company disseminates information on the Whistleblowing System (WBS) to all Bio Farma employees to provide understanding of the Whistleblowing System (WBS) policies. The information is also disseminated to the other Stakeholders through the Company's website.

WHISTLEBLOWING MANAGEMENT PARTY

The party that manages complaints / Suspected Violations is regulated under Board of Directors' Decree No.: 01729/DIR/III/2013 dated 25 March 2013, recently amended by Decree No.: KEP-16/DK/BF/X/2014, No.: 05021/DIR/X/2014 on the Appointment of a Whistleblowing Admin.

Formation of the Whistleblowing Admin

1. The Board of Commissioners and Board of Directors have established a Whistleblowing Admin for suspected violations by Employees, Directors, the Board of Commissioners and the Supporting Bodies to the Board of Commissioners.
2. The compilation and duties of the Whistleblowing Admin are determined based on the Joint Decision of the Board of Commissioners and Board of Directors.
3. The Whistleblowing Admin receives, registers and administers Violation Reports (Whistleblowing) submitted by email, letter or drop box for further follow up to the Board of Directors as the Whistleblowing System (WBS) Management Team for alleged violations committed by Employees, or to the Board of Commissioners as the Whistleblowing System (WBS) Management Team for alleged violations committed by the Directors, Board of Commissioners or the Supporting Bodies to the Board of Commissioners.
4. In the case that a Whistleblower witnesses a violation by the Whistleblowing System (WBS) Management Team, the report of the violation shall be sent directly to the President Director of the Company (for suspected violations by Employees) or the President Commissioner (for suspected violations by the Board of Directors, Board of Commissioners or the Supporting Bodies to the Board of Commissioners).
5. The Whistleblowing Admin shall safeguard the confidentiality of the Whistleblower in accordance with established policies, specifically the aspect of confidentiality and ensured safety of the Whistleblower.

Management Structure

1. Formation of the Whistleblowing System (WBS) Management Team for violations allegedly by Employees
   - The Board of Directors has formed the Whistleblowing System (WBS) Management Team based on a Board of Directors' Decree in accordance with the level of the suspected violator, with the following composition:

SUSPECTED VIOLATOR	WBS MANAGEMENT TEAM
SUSPECTED VIOLATOR	WBS MANAGEMENT TEAM
Employees other than WBS handling team	Coordinator: Head of IAU Members: IAU Officers, Compliance & Risk Management Division and HR DIvision

   - The compilation and duties of the Whistleblowing System (WBS) Management Team for alleged violations by Employees are determined based on Decree No. 1390/DIR/III/2013 dated 8 March 2013, which has been updated by Decree No. 04043/DIR/IX/2014 dated 4 September 2014 on the Formation of a Whistleblowing System (WBS) Management Team for Complaints on Alleged Violations by Employees.
2. Formation of the Whistleblowing System (WBS) Management Team for violations allegedly by the Board of Directors, Board of Commissioners or the Supporting Bodies to the Board of Commissioners
   - The Board of Commissioners has formed a Whistleblowing System (WBS) Management Team in which the President Commissioner serves as Coordinator with other members of the Board of Commissioners and members of the Audit Committee serving as members in accordance with their competence and expertise.
   - The compilation and duties of the Whistleblowing System (WBS) Management Team for alleged violations by the Board of Directors, Board of Commissioners or the Supporting Bodies to the Board of Commissioners are determined in a Board of Commissioners' Decree.
   - Should the party being reported or a party involved in the violation being reported be a member of the Board of Commissioners or a member of the Supporting Bodies to the Board of Commissioners, then those parties shall not be involved in the follow up process on the violation report.

Whistleblowing System (WBS) Management Team

The team manages violation reports and protects whistleblowers. The team receives violation reports, selects which violation reports should be further processed by the investigation team without disclosing the whistleblower's identity. The team is responsible for the implementation of the whistleblower protection program, in accordance with established policy, particularly the aspect of confidentiality and safeguarding the whistleblower. For the purposes of reporting management and protection of the whistleblower, the team receives legal, financial and operational support as needed. Establishment of the Whistleblowing System (WBS) Management Team is contained in Board of Directors' Decree No: 01 390/DIR/III/2013 dated 8 March 2013, which has been amended by Decree No. 04043/DIR/IX/2014 dated 4 September 2014 and is led by the President Director.

Duties of the Whistleblowing System (WBS) Management Team

1. Receiving reports of suspected violations from whistleblowers.
2. Safeguarding the confidentiality of the whistleblower and storing the identity of the whistleblower in a secure place.
3. Verifying received reports of alleged violations by ensuring that these reports are in accordance with established categories.
4. Creating Statements of Verification on reports of suspected violations and recommending follow up actions.
5. Facilitating protection for whistleblowers.
6. Creating periodic reports to be submitted to the Board of Directors no less than once every 3 (three) months that contain the number of complaints, category of complaints, status of suspected violation reports and the media used by the whistleblower.

Investigation Team

The investigation team is tasked with finding and collecting the evidence necessary to ensure that there has, in fact, been a violation. If there is already sufficient evidence, the Investigation Team makes a recommendation to the President Director for sanctions to be implemented for misconduct. However, if insufficient evidence is available, the investigation process is stopped and the violation report does not continue. For the purposes of the investigation team, legal, financial and operational assistance is provided for all units being investigated.

a. Investigate reports of violations.
b. Ensure sanctions are implemented if there is sufficient evidence.
c. Determine the loss / impact of the violation.
d. Coordinate with external investigators, law enforcement and / or other agencies, if required, with the approval of the Board of Directors.
e. Create Statements of Investigation, which shall contain recommendations and / or sanctions for the violation, to be submitted to the Board of Directors.
f. Document the entire investigation process related to supporting evidence, working papers, minutes and other documentation.

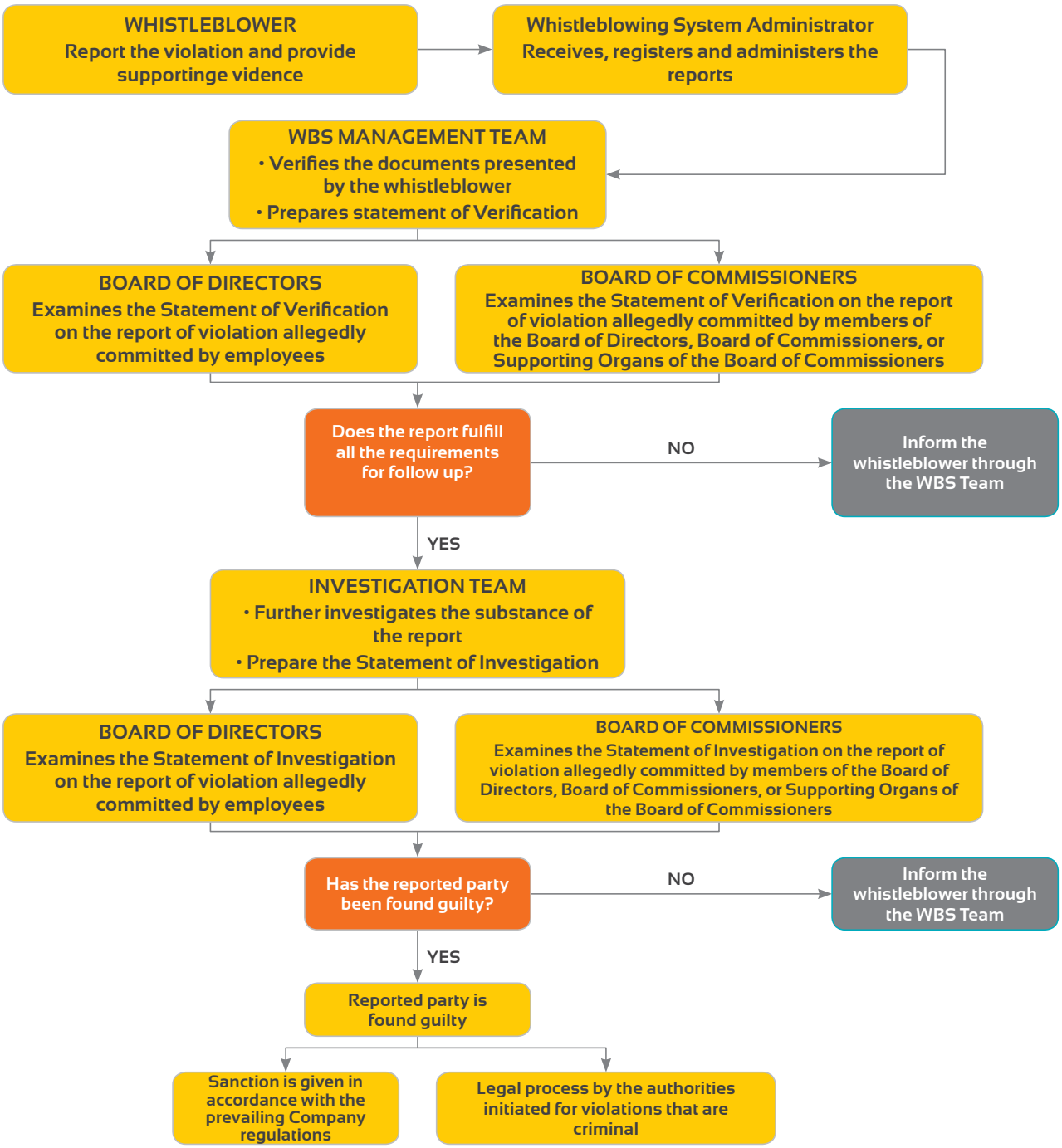
Board of Directors and Board of Commissioners

The team handling reports of violations committed by Directors / Commissioners.

Duties of the Board of Commissioners

a. Receive Reports from the Report Management and Whistleblower Protection Team for suspected violations by the Board of Commissioners / Board of Directors.
b. Ensure sanctions are implemented by the Board of Directors / Board of Commissioners provided there is sufficient evidence.
c. Determine the loss / impact of violations by the Board of Directors / Board of Commissioners.
d. Coordinate with external investigators, law enforcement and / or other agencies.
e. Create Statements of Investigation, which shall contain recommendations to be submitted to the President Commissioner for violations by the Board of Directors and to the Shareholders for violations by the Board of Commissioners.
f. Document the entire investigation process related to supporting evidence, working papers, minutes and other documentation.

Handling of Reports



Number of WBS Reports and Their Handling in 2015

In 2015, the WBS Management Team did not receive any reports related to violations by the Company's management or by Bio Farma's employees, thus there was nothing to handle in the current year.

As manifestation of the implementation of effective Good Corporate Governance, the dissemination and upholding of the Whistleblowing System shall always be improved and periodic improvements to the system shall be made in the interest of sustainable improvements in line with developments within the Company's business.

DIVERSITY POLICY FOR THE COMPOSITION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

DESCRIPTION OF COMPANY POLICIES ON THE DIVERSE COMPOSITION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS FOR EDUCATION (FIELD OF STUDY), WORK EXPERIENCE, AGE AND GENDER

Bio Farma has a diversity policy for the composition of the Board of Commissioners and Board of Directors that refers to:

1. SOE Ministerial Decree No.: PER-02/MBU/02/2015 on the Requirements, Appointment and Dismissal Procedure for Members of an SOE Board of Commissioners.
2. SOE Ministerial Decree No.: PER-03/MBU/02/2015 on Requirements, Appointment and Dismissal Procedure for Members of an SOE Board of Directors.
3. Articles of Association of PT Bio Farma (Persero).

DIVERSE COMPOSITION OF THE BOARD OF COMMISSIONERS

To improve the competitiveness of SOEs in the face of a competitive business world, especially in the current global era, there is a strong requirement for Human Resources that are reliable, professional, have high integrity, are dedicated and competent to manage SOEs, in particular Human Resources that hold positions in SOE bodies, including members of SOE Boards of Commissioners.

The Board of Commissioners is one of the SOE bodies assigned to oversee the management of the company as implemented by the Board of Directors and to provide advice to the Board of Directors. As the party overseeing the management of the company implemented by the Board of Directors and providing advice to the Board of Directors, competent Human Resources are required.

In connection with the above points and based on Article 30 and Article 59 of Law No. 19 of 2003 on State Owned Enterprises, as well as Article 58 of Government Regulation No. 45 of 2005 on the Establishment, Management, Supervision and Dismissal of State Owned Enterprises, the SOE Minister issued Decree No. PER-19/MBU/10/2014 dated 17 October 2014 on the Requirements and Procedures to Appoint and Dismiss Members of the Board of Commissioners and Supervisory Board of State Owned Enterprises, amended by SOE Ministerial Decree No. PER-21/MBU/11/2014 dated 7 November 2014.

To further clarify and facilitate the process and to comply with regulations / amended policies for the procedure to appoint and dismiss Members of the Board of Commissioners and Supervisory Board, the SOE Minister issued Decree No. PER-19/MBU/10/2014, amended by SOE Ministerial Decree No. PER-21/MBU/11/2014, which needs review so that the process to appoint and dismiss Members of the Board of Commissioners and Supervisory Board can be better implemented, better planned and more effective, as well as being accountable.

DIVERSE COMPOSITION OF THE BOARD OF DIRECTORS

To support the achievement of the SOE Vision, which is to increase the role of SOEs as instruments of the state to improve public welfare based on a corporate mechanism, breakthrough initiatives are required in every aspect, including the readiness of Human Resources within SOEs and a transparent, rapid and efficient appointment system.

In addition, to face global competition and prepare SOE leaders who are able to handle the competition, a transparent system is required based on professionalism, that is rapid and efficient, to attain SOE Human Resources that are reliable and competitive.

To attain SOE Human Resources, in particular members of the Board of Directors, who are professional, of high integrity, dedicated and competent to conduct their duties and responsibilities, as well as to establish a good process to replace members of the Board of Directors, it is necessary to refine the regulating guidelines with regard to the requirements and procedures to appoint and dismiss members of the Board of Directors that is accountable.

DIVERSE COMPOSITION OF THE BIO FARMA BOARD OF COMMISSIONERS & BOARD OF DIRECTORS

1. Individuals: Of good character and with the ability to carry out their duties in the best manner.
2. Proficient in legal actions.
3. Not been declared bankrupt in the 5 (five) years prior to nomination.
4. Not been a member of a Board of Directors or a member of a Board of Commissioners / Supervisory Board found guilty of causing a Company to be declared bankrupt in the 5 (five) years prior to nomination.
5. Not been sentenced for a criminal offense that caused losses to the state and / or related to the financial sector in the 5 (five) years prior to nomination.
6. Has integrity.
7. Has technical competence / expertise, and the person concerned has:
   a. Adequate knowledge in the Company's field of business.
   b. Has experience and expertise in Company management.
   c. Has the ability for strategic management in the interest of Company development.
   d. Understands Company management issues related to a management function.
   e. Is dedicated and fully commits time to conducting duties.
8. Psychologically, the person concerned has an adequate level of intelligence and emotions to implement duties as a member of the Company's Board of Directors.
9. Other requirements based on legislation.

BENCHMARKING

Benchmarking, are an added value process for the Company, especially Bio Farma, because with this Benchmarking, Bio Farma can see the working conditions in other companies and adopt best practices to attain its desired targets. Bio Farma also has added value as the target of Benchmarking by other companies, as we believe that Bio Farma has work practices and processes that can serve as an example (best practices) for other Companies.

Benchmarking that has taken place and / or Benchmarking conducted by other parties can be seen in the following table:

NO.	DATE	INSTITUTION	TOPIC
1	16 January 2015		1. Good Corporate Governance Implementation 2. Compliance and Risk Management 3. Corporate Culture and Corporate Secretary (Public Relations
2	17 January 2015	Organizer: Corporate Press Union (SPS)	Sharing about Public Information Disclosure (KIP)
3	15 February 2015	Public Relations/ Public Communications Ministry Of SOE	Sharing about Public Information Disclosure and Social Media
4	10 March 2015	PT LEN (Persero)	Public Information Disclosure (KIP)
5	20 April 2015	PT INTI (Persero)	Public Information Disclosure (KIP)
6	3 June 2015	Head of Public Relations of Communication Information Service Regional Work Unit of Bangka Belitung Province	Public Information Disclosure (KIP) and Social Media
7	20 October 2015	Coordinated by Training and Education Department Ministry of Agriculture: 40 Participants from PPMKP Bogor (KPU, Perpusnas, Food & Drugs Supervision Agency (BPOM), Basarnas, LKPP, BKPM, Judicial Commission)	- Information Technology - Innovation - Transformation Management - Public Disclosure
8	13 November 2015	CRM Division Representative of SOE	Monev Activity as a Follow Up from GCG Assessment Result and Focus Group Discussion (FGD) SOE GCG Practice Assessment

INFORMATION TECHNOLOGY





INFORMATION TECHNOLOGY DEVELOPMENT

Bio Farma continues to develop business application systems that are integrated to support the operations of all business units in the organization. By designing an effective and efficient IT system, the existing IT system may support the Company's competitive advantage in facing competition and developing its business in the future.

The Company has developed its information technology system development up to 2017, which includes the development of tools and applications especially related to the improvement of service quality and production processes. In 2014 new application development was underway in a more integrated manner and the application covers the needs for the Marketing, Production, warehousing and Quality Assurance, as well as Human Resources Directorates. In the Marketing Directorate, the development of CRM (Customer Relationship Management) application was completed, to be implemented in 2015.

In the Production, warehousing and Quality Assurance Directorate, the Bio Production Managements (BioPM) application was developed as a collaboration between various production modules of Forecast & Schedule, Master Formula, Inventory, Raw Material Management, Production, Quality Control, Quality Assurance, Label, Product Sales, and Preventive Management.

In the Human Resources Directorate, the ERP-HR application was developed, integrating the HR (Human Resources) and Payroll applications with the ERP (Enterprise Resource Planning).

All tools and applications are aligned to the standard operating procedures (SOP) in order to provide an integrated, timely, and effective information system. The business process applications that were developed are categorized into main, supporting, E-Office, and document workflow applications, as follows:

In line with the Company's vision to become a world-class company, an adequate information technology system and infrastructure is highly needed to support the Company's business processes in order to maintain competitive advantage in the global market. An effective information technology solution will increase work efficiency, effectiveness and productivity so that the Company is able to create competitive products and services. Information technology at Bio Farma is handled by the Information Technology Division that acts as a supporting unit for the Company's operational activities, by providing information technology and communication services that are adequate, reliable, and aligned with the Company's business needs.

MAIN APPLICATIONS:

1. Enterprise Resource Planning (ERP) Application.
2. Human Capital Management System (HCMS) Application.
3. Laboratory Information Management System (LIMS) Application.
4. BioQA Application.
5. Deviation Application.
6. Change Control Application.
7. CAPA Application.
8. Raw Material & Vendor Management Application.
9. Environment Monitoring Application.
10. Physical Monitoring Application.
11. Data Form Application.
12. Calibration Validation Application.
13. Customer Relationship Management (CRM) Application.

SUPPORTING APPLICATIONS

1. Training Record Application.
2. Filling System Application.
3. Help Desk Online (SIMApp) Application.
4. Bio Budgeting Application.
5. Inventory (SIA AP) Application.
6. Accounting (SIAB, Fixed Asset) Application.
7. Finance (SIAk) Application.
8. E-SPT Application.
9. Marketing Application.
10. Logistics (SIAPBJ) Application.
11. e-procurement (Bioeproc) Application.
12. Biosis Application.
13. Medical Records Application.
14. Online Attendance Application.
15. Payroll Application.
16. Services Application.
17. Laboratory Animals (Bioware) Application.
18. SMS Gateway Application.

E-OFFICE APPLICATIONS

1. Intranet, communications media and internal publication applications.
2. Internet Application www.biofarma.co.id, corporate website publication media.
3. Mail Server, for corporate electronic mailing system.
4. News Clipping Admin, internal application developed to document news clippings related to the Company.
5. File server, file documentation, and centralized data applications.

DOCUMENT WORKFLOW APPLICATIONS

In order to support the Company's activities that uphold the spirit of Green Industry, the Information Technology Division has implemented applications that may reduce the use of paper and result in paperless business in all internal administrative activities, among others:

1. e-Correspondence Database Application.
2. Online SPPD Application.
3. Online Leave Application.
4. Payroll Application.
5. Logistics Document workflow Application.
6. User Access Control Application.

IT INFRASTRUCTURE AT BIO FARMA

Up to the end of 2014, the development of information technology systems, networks and infrastructure at Bio Farma had covered the following:

1. Telecommunications Server (IP-PBX), IP (internet protocol) based telecommunications system integrated with mail server and applications.
2. Server Virtualization, whereby one ser ver system allows many logical ser vers running simultaneously on a physical ser ver, therefore vastly reducing the use of resources (electricity, hard drive space, memory, etc.)
3. Implementation of the latest operating system and database.
4. Implementation of infrastructure security monitoring technology.
5. Implementation of a centralized antivirus system.
6. Infrastructure enhancement according to the IT Master Plan, i.e. installation of fiber optic cables, server virtualizations, blade servers, SAN storage, and Tape backup.
7. Preparation for the room and installation of Disaster Recovery Plan (DRP) tools, including grounding, CCTV, fire system and raised floor.
8. Consultation for the planning of ERP implementation with PT Sigma Cipta Caraka.

9. Regular monitoring and maintenance of physical and logical network infrastructure.
10. Maintenance of networks and phone lines.
11. Installation of internal access points (Wi-Fi) in meeting rooms and other rooms requiring connectivity for the smoothness of internal operations of ERP, internet access, and other applications.
12. Installation of physical firewall to replace old firewall.
13. Plan for installation of IP-based phone infrastructure and call center connected to the CRM application.
14. Installation of fiber optic cables that connect data network from Pasteur to Cisarua Lembang as the first step in DRC (Disaster Recovery Center) development.

INFORMATION SYSTEM GOVERNANCE

Information system investments nowadays are not only aimed at improving effectiveness, efficiency and work speed, but also to improve overall organizational performance. Therefore, responsibility for IT management cannot be wholly ascribed to any single unit specifically managing the technical aspect of IT, but also must be shouldered by the various elements of the management. This is a new paradigm in managing information system, and it is called IT Governance.
IT Governance is a commitment, awareness and process of the organization's management controlling the entire IT resources, including computing resources (software, brainware, database, etc.) and information technology as well as LAN/internet. Subsequently, the implementation of IT governance is targeted to be in line with the Company's goals. To implement IT governance at Bio Farma, the Company has established the following IT Policy, covering:

1. Policy for Development of Software and Computer System Validation
   a. Software
      A set of instructions executed by computer in order to run its tasks. Software can process input and produce output used as information.
   b. Computerized System
      A combination of various software, hardware, networking, and standard operating procedures, users, interconnecting input and output processes of information used in reporting or control of information system.
   c. Computer System Validation (CSV)
      A process for validating a software or a computerized system to ensure that such software or computerized system has been aligned with its intended functions and user's requirements.
   d. Hardware Qualification
      Process for determining that the hardware used in a computerized system has been ensured in terms of configuration and performance.
   e. Creation and development of software is properly managed in line with the prevailing regulations and the System Development Life Cycle (SDLC) concept.
   f. Validation of software or computerized systems is implemented according to the prevailing regulations to ensure quality.
2. Information Security Policy
   a. The Company has full authority to implement the security measures for its information system to protect its information-related assets and ensure its business process continuity.
   b. Bio Farma's information-related assets belong to the Company and are intended to further the Company's business/operations and to ensure confidentiality, integrity, and availability of information as well as effectiveness and efficiency of IT services.
   c. IT risks are managed by the Company to ensure security of Bio Farma's IT governance.

3. Electronic Record and Electronic Signature Policy
   a. Electronic record is a combination of text, graphics, audio, images, and or other information in digital form that can be created, modified, updated, saved, acquired, or distributed by computerized systems.
   b. Electronic Signature
      Electronic signature is a compilation of data consisting of computer symbols that are executed, adopted or authorized and legalized to be considered equivalent to a manual signature.
   c. Electronic record that is an output from a process done by a computerized system and electronic signature at Bio Farma is considered to be valid and legally binding, equivalent to the manual processes and signatures that are also valid.

Documents related to the information technology governance policy in Bio Farma are as follows:

1. Manual Bio Farma MBF2, Information Technology Policy subchapter.
2. IT Master Plan for 2013-2017.
3. Backup and Restore Data Guidelines.
4. Computer Troubleshooting Guidelines.
5. Software Development, Hardware Qualification, and Computerized System Validation Guidelines.
6. Information Technology Policy Guidelines.
7. Email Creation Standard Guidelines.
8. Data Backup and Restore Standard Guidelines.
9. Antivirus Standard Guidelines.
10. Computer Troubleshooting Standard Guidelines.
11. Logical Access Standard Guidelines..
12. Manual Backup of BioQa Database Standard Guidelines.
13. Online Document Application Intranet Usage Standard Guidelines for Users.
14. Online Document Application Intranet Usage Standard Guidelines for Administrators.
15. Batch Record Software Usage Standard Guidelines.
16. Training Record Software Usage Standard Guidelines.
17. Software Testing Standard Guidelines.
18. Physical Monitoring Software Usage Standard Guidelines.
19. Environment Monitoring Software Usage Standard Guidelines.
20. Data Form Software Usage Standard Guidelines.
21. DEV-CC-CAPA Software Usage Standard Guidelines.
22. Documentation System Software Usage Standard Guidelines.
23. Raw Material Software Usage Standard Guidelines.
24. Qualification, Installation, Operations and Performance of BioQA Online Application.
25. Qualification, Installation, Operations and Performance of EM Application.
26. Qualification, Installation, Operations andPerformance of Batch Record.
27. Design Qualification (DQ) of Val-Cal Manager Application.
28. Qualification, Installation, Operations and Performance of TR Software.
29. Design Qualification (DQ) of Batch Record Application.
30. Design Qualification (DQ) of Environment Monitoring Application.
31. Design Qualification (DQ) of Training Record Application.
32. Qualification,Installation, Operations and Performance of Val-Cal Manager.
33. Physical Monitoring Software Validation Protocol.
34. Documentation System Software Validation Protocol.
35. DEV-CC-CAPA Software Validation Protocol.
36. Batch Record Software Validation Protocol.
37. Spreadsheets Validation Protocol.
38. Training Record Software Validation Protocol.
39. Data Form Software Validation Protocol.
40. Training Record Software Validation Protocol.
41. DEV-CC-CAPA Software Validation Protocol.
42. Online Document Application Intranet Validation Protocol.
43. Raw Material Software Validation Protocol.
44. SIA AP Software Validation Protocol.

Bio Farma realizes that the challenges ahead will be more complex and competitive, especially in the vaccine and antisera industry. The support of an integrated communications and information technology system that is aligned with the Company's business characteristics can provide strategic planning and decision making solutions that are more timely, accurate, and affective. In contrast, a mistake in implementing IT system may lead to substantial losses. Therefore, the Company has determined the following information technology- related strategies:

a. Building integrated business applications that involve all functions within the Company.
b. Developing IT organization that is harmoniously organized and featuring both centralized and decentralized (autonomous) policymaking, followed by a sound change management process.
c. Increasing collaboration with third parties (outsourcing) for development and maintenance by taking into consideration effectiveness and efficiency of cost, time, solution quality, products and services quality, and flexibility.
d. Developing IT infrastructure to accommodate current and future business needs.



IT HUMAN RESOURCES TRAINING AND DEVELOPMENT

The training and development of IT human resources in 2014 began to be aimed at IT as Business Enabler. Bio Farma's IT Team not only participated in technical training programs but also business-related ones. The training programs in which Bio Farma's IT Team participated were:

TECHNICAL TRAINING

a. ERP for Programming and Administering Databases.
b. ERP for all modules implemented, such as Finance & Accounting, Procurement, Inventory, and Sales.
c. Infrastructure.
d. Programming Language aligned to the IT Masterplan, such as VB.Net.
e. Essential Networking and TCP/IP Fundamentals.
f. VMP Training & workshop and Risk-Based Assessment workshop HP.
g. Microsoft Exchange 2010.

NON-TECHNICAL TRAINING

a. Basic Accounting.
b. Public Speaking.
c. Control Objective for Information and Related Technology—COBIT 5.
d. Software Validation.
e. HP Solution and Product knowledge. f. work Load Analysis.



g. Risk Analysis.
h. Software Validation.
i. Executive Presentation for Staff.
j. Smart and Effective Presentation.
k. Business Process Mapping.
l. Big Data Management and Data Mining.

IT SYSTEM INVESTMENT

In 2015, the value of investment in IT system and infrastructure development was higher than the previous year, owing to the implementation of firewall and IPBX- based telephone technology. Total IT System Investment for 2015 is Rp 6.645.000.000.

CORPORATE SOCIAL RESPONSIBILITY





As a State-Owned Enterprise, Bio Farma also acts as an Agent of Development, including community development, through implementation of Corporate Social Responsibility (CSR) programs. Operational activities of Bio Farma are closely related to the improvement of people's life from the health aspect, and therefore Bio Farma continues to maintain a harmonious relationship with the community. As a company engaged in biotechnology field, in addition to implementing healthy business practices, we also continue to run business by complying with the regulations set by the Government aimed at preserving the environment.

Corporate Social Responsibility is Bio Farma's commitment to achieving Sustainable Development Goals to improve the quality of life and environment that will benefit the Company, the community surrounding the operational area, and the society at large. Bio Farma is committed to being a green and sustainable corporation, by running a pro-environment and pro-society business processes.

CSR implementation is considered of key importance for the Company and the community. This is in line with the SDG programs implemented by the Government. To obtain effective results, Bio Farma continually strived to improve its CSR strategies and honed its CSR policies throughout 2015. We have improved our CSR Roadmap based on ISO 26000. CSR is not merely a philanthropic act, but also acts as a community development program. For Bio Farma, in addition to philanthropic and community development activities, CSR also covers environmental aspect, workforce issues, workplace safety and health, respect for human rights, healthy business practices and product responsibility. Those aspects are in accordance with the CSR elements based on ISO 26000 and also in accordance with provisions of the Financial Service Authority (OJK) through the issuance of the Decree of the Chairman of Bapepam-LK No. Kep-431/BL/2012 dated 1 August 2012 on the Annual Report Submission by Public Companies or Issuers.

Bio Farma's CSR activities in 2015 can be fully seen in 2015 Sustainability Report which is an integral part of the 2015 Annual Report. Our Sustainability Report is annually prepared in accordance with the international standard issues by the Global Reporting Initiative (GRI). A quick overview of the 2015 Sustainability Report is presented in this section. In addition, submission of the CSR report in this Annual Report is part of our compliance to Article 66 (2c) of Law No. 40/2007 on Limited Liability Companies, which requires an annual report to include the company's implementation of Corporate Social Responsibility (CSR).

In accordance with provisions of the Financial Service Authority (OJK) as mentioned above, this CSR chapter consists of sections discussing (a) environment, (b) employment, health, and workplace safety, (c) social and community development, (d) consumer responsibility.





Create Shared Value: Bio Farma provides solution to help developing the potential of the community, one of which is to cultivate the DNA strain of Garut Sheep.



Batik Pakidulan, Environmentally Friendly Batik with Nano Technology, displays the philosophical pattern of Ciletuh Geopark. The CSR development partner of Bio Farma, attending the Expo in Birmingham, England, in 2015.

Community Development involving the youth in Ciletuh Geopark tourism object, during the visit of Mr. Guy Martini from UNESCO, as preparation for Ciletuh Geopark to be recognized as part of UNESCO Global Geoparks (UGG) in 2017.



CSR ON THE ENVIRONMENT

In this part, in accordance with the provisions of the OJK, descriptions related to Environmental CSR includes information about (1) policies set by the management, and (2) environmental CSR activities.

ENVIRONMENTAL POLICIES

Bio Farma is highly committed to running pro-environment and pro-community operations as the base for a sustainable biotechnology or green company. In every decision making process, environmental issue is always considered to be a priority aspect. This commitment results in a proud achievement, where Bio Farma successfully achieved the 2015 GOLD PROPER Award. This was the highest award in the environmental area achieved by Bio Farma for the last two years from the Indonesian Ministry of Environment and Forestry.

In a meeting in Paris in October 2015, the Indonesian Government submitted a commitment to reduce the Greenhouse Gas Emissions (GGE) by 26% in 2030. Bio Farma supports the Government's commitment by drawing up various strategic programs to mitigate the emissions of GGE, implemented in both the Company's operational activities and also outside the Company's operational activities such as tree planting. Emissions reduction program from the Company's operational activities is done with efficiency and production process innovation in addition to energy savings program.

As a green company, Bio Farma has formulated an environmental sustainability policy, which is further divided into 5 (five) main areas. First is Green Process, which is applying green principles on the Company's entire business processes from the selection of raw materials (through selection of environmentally-conscious vendors), production, formulation, filling, packing to the handling of finished goods. Second is efficient use of energy. Third is efficient use of water and water conservation by applying the 4R (reduce, reuse, recycle, recovery) principle. Fourth is sorting and categorizing waste into five categories. And the fifth is ensuring workforce involvement in fostering a pro-environment culture and attitude both in their workplace and in their families.

Bio Farma strives to achieve energy efficiency at all operational activities through various policies, such as renewable energy usage, improvise the equipment, redesign production process and the pattern of production operations. In addition to innovate the production process, Bio Farma also initiates several policies to reduce vehicle emissions, reduce electricity consumption in supporting facilities, as well as improving the performance of operational vehicles management.

ENVIRONMENTAL ACTIVITIES

Bio Farma continues to execute strategic actions in controlling and preventing pollution. The legal basis for this implementation is Law No. 32/2009 on Environmental Protection and Management. Bio Farma has a strict policy for efficiently and effectively utilizing energy and natural resources. Our operations' end results should provide optimal benefits for all stakeholders, including our workforce and the society at large.

Energy Aspect

Since 2013 Bio Farma has been able to reduce its CO_2 carbon emissions on Pentabio Vaccine production based on annual terms. Bio Farma maximizes efficiency in various aspects including electricity and water consumption, reduction of packaging and waste (on syringe per dosage and cold chain/vial cost terms). With this efficiency measure, level of CO_2 carbon emission from each Pentabio Vaccine is gradually decreasing. This can be seen from the following table, which shows the energy savings of this product in the last 3 years.

Pentabio Vaccine Product Energy Saving

YEAR	BATCH	PRIOR TO INNOVATION		AFTER INNOVATION		SAVING/YEAR
		MWh/BATCH	MWh/YEAR	MWh/BATCH	MWh/YEAR	
2013	41	3,661	150,101	0,778	31,898	118,203 MWh
2014	40	3,661	146,44	0,778	31,12	115,32 MWh
2015	43,5	3,661	159,25	0,778	33,84	125, 41 MWh

Energy efficiency programs are carried out not only in manufacturing activities but also in all work units including supporting work units. The activities that were implemented as part of Energy Efficiency Programs throughout 2015 are as follows:

NO	PROGRAM	PENGHEMATAN
1	Installation of Timer Control at 32 AHU cooling systems, so at night time the AHU cooling systems are turned off	Electricity savings: 176,640 KWh/month
2	Installation of inverter at Chiller pump in the Polio-Campak Building and Packaging Building	Electricity savings: 1958.4 KWh/month (Packaging) and 5947.2 KWh/month (Polio-Campak Building), Total savings = 7,905.6 KWh/month
3	Installation of inverter and application of night mode at 25 Laminar Air Flows	Electricity savings: 7,303.68 KWh/month
4	Increase of employees' awareness of turning of electrical appliances at the office when they are not in use	Electricity savings: 9,870 KWh/bulan
5	Use of cooling media that are more environmentally-friendly and energy-efficient at 2 Cold Rooms and AC Split, from previously R22 to Musicool Hydrocarbon	Reduced use of ozone-depleting chemical substances Electricity savings: 1,305.15 KWh/month
6	Replacement of TL lightbulbs to energy-efficient LED lights	Electricity savings: 1,085.28 KWh/month
7	Dissemination on reduction of CO_2 emissions by experts in CO_2 emission reduction and energy efficiency	Increasing employees' awareness of energy saving behaviors in line with CO_2 emission reduction
8	Campaign on reducing electricity, water, and diesel fuel usage by the management through various media within the Company	Improving employees' awareness and behaviors in efforts to save energy and conserve resources
9	Replacement of lawn lightbulbs with LED and solar cells	Electricity savings: 2,160 KWh/month
10	Installation of timer control at 70 water dispensers	Electricity savings: 1,177.05 KWh/month
11	Pemanfaatan kembali (Recovery) of Energy from Exhaust Air from HIB and Pertussis Vaccine Production Room	Electricity savings: 21,600 KWh/month
12	Installation of solar cell pumps for raw water back to the water collection tub.	Energy savings from solar cells:480 KWh/month
13	Installation of LED lights, motion sensors and solar cells at Public 2 building, on 1, 2 and 3 basement levels.	Energy savings from LED & Motion Sensors: 4,880.9 KWh/month Energy savings from solar cells: = 1,265.80 KWh, thus total savings in December 2015 = 6,146.7 KWh
14	Installation of Selective Control at elevator at Public 2	Electricity savings: 316,8 KWh/month

Pentabio Vaccine also saves energy compared to total energy used for production of each vaccine type. Before this innovation was implemented, total energy use for DTP vaccine production was 1.23 MWh/batch, for HB vaccine production 1.221 MWh/batch and for HiB vaccine production 1.21 MWh/batch. In total, the energy consumption used for the production of 5 vaccine types reached 3.661 MWh/batch. After the innovation was performed, total energy consumption to produce the amount of Pentabio product equivalent to 5 vaccine types is only 0.778 MWh/batch. From this innovation, the amount of energy saved is 2.883 MWh/batch.

YEAR	BATCH	PRIOR TO INNOVATION		AFTER INNOVATION		SAVING/YEAR
		MWh/BATCH	MWh/YEAR	MWh/BATCH	MWh/YEAR	
2013	41	3,661	150,101	0,778	31,898	118,203 MWh
2014	40	3,661	146,44	0,778	31,12	115,32 MWh
2015	43,5	3,661	159,25	0,778	33,84	125, 41 MWh

Waste Management Aspect

Used oil waste resulting from activities of PT Bio Farma (Persero) is fully (100%) processed and reused in cooperation with PT Wiraswasta Gemilang Indonesia. The average utilization ratio of used oil in the period of 2011 to 2015 amounted to 6.74%.

YEAR	USE OF USED OIL (KG)	TOTAL AMOUNT GENERATED (KG)	REUSE RATIO (%)
2011	5,937.75	51,322.25	11,57
2012	6,235.29	90,298.79	6,91
2013	6,414.51	95,018.51	6,75
2014	5,462.73	138,948	3,93
2015	7,038.30	155,225.30	4,53

Resin Hazardous and Toxic Waste Reduction

Deionization system substitution program, from resin–based ion exchanger to a continuous electro de–ionization (CEDI) has eliminated the hazardous and toxic waste of resin generated in each maintenance period (once every two years). By switching the system, a total of 4,192 kilograms of used resin were successfully eliminated in the period of 2010–2015.

Water Management Aspect

Bio Farma has three raw water sources, namely the State Water Company's tap water, deep well, and treated water from the Recycled Water Plant with total water consumption of 213,246 m^3/year. Raw water is used for production process in the form of processed water amounted to 202,584 m^3/year and water for domestic needs such as toilets, mosque, and other needs amounting to 10,662 m^3/year. Water consumption intensity for product sales was 104.32 m^3/billion rupiah.

Water saving efforts through the 3R program has resulted in water saving of around 27,119 m^3 in 2015 or equivalent to an efficiency of 13.85% of total water consumption. The ground water recovery effort, conducted over the past five years, has been successfully carried out. And despite the incremental rise in our water consumption each year, according to Bio Farma's GeoElectricity Estimation report, our ground water reserves are well-maintained and their level has increased by an average of 3.53%.

In addition to water use for raw material, water is also utilized for washing and sterilization of equipment, vials, bottles, and production tanks, which in the process yields polluted water. The total amount of waste water stood at 12,334 m^3/year, consisting of 11,717 m^3/year of production waste water and 617 m^3/year of domestic waste water.

Water pollution load has been reduced through Reuse, Reduce, and Recycle (3R) program with efficiency percentage of 71.67% of the total waste water produced.

ENVIRONMENTAL AWARDS

Bio Farma's commitment to the environment is reflected on the several awards it earned in 2015:

- Company Performance Rating Program (PROPER) Gold Award from the Indonesian Ministry of Environment and Forestry.
- Global Green Award from Otherways Association Management & Consulting France in Berlin.
- The Best Indonesia Green Award 2014, organized by The La Tofi School of CSR and supported by the Ministry of Forestry, Environment and Industry.



Geo Tourism Destination Curug Awang, Geopark Ciletuh



Pasar Murah Program BUMN Care



Cool to School Duta Muda Vaksin Program



Vaccinations and Health With Bio Farma Program

CSR ON EMPLOYMENT, OCCUPATIONAL HEALTH AND SAFETY

In this part, in accordance with the provisions of OJK, descriptions related to CSR on Employment, Occupational Health and Safety include the policies set by the management and activities conducted related to employment, occupational health and safety practices, such as gender equality and work opportunity, facilities and workplace safety, turnover rate, workplace accidents rate, etc.

General Policy

Bio Farma applies the principle of equality in treating each employee with no discrimination based on sex, religion, ethnicity and race. The policy applies to all stages of human resource management begins from recruitment, training and development, performance appraisal, career development and remuneration.

In recruiting new employees, Bio Farma provides equal opportunities for all job applicants, both male and female. Bio Farma also provides employment opportunities for persons with disabilities. Recruitment process is open and free of discrimination for everyone as long as they are qualified. To provide employment opportunity, job postings are publicly published in various national and local print, electronic media (the Company's website, social media Facebook and Twitter, SOE portal, radio) as well as job fairs and road shows to several universities.

REMUNERATION POLICY AND IMPLEMENTATION

Bio Farma established that the remuneration received by the employees is a formulation of the remuneration system based on grade and specific job level. Bio Farma ensures that employees of the lowest grade will receive wage above the Municipal Minimum Wage set by the government. Remuneration is based on the level of education, employment, and grading.

For employees who pass away during work, the Company will give a promotion of 1 (one) grade above and for employees who enter retirement age will be given a promotion of 1 (one) grade above in line with the requirements and the prevailing terms.

In the currently applied system of remuneration, the Company sets a relatively high standard basic salary compared to the minimum wage. Moreover, the Company ensures that men and women at all levels receive equal treatment to receiving remuneration.

Employee Benefits

Bio Farma provides benefits apart from salary, as part of the remuneration for employees, i.e. Religious Holiday Allowance (THR), Welfare Allowance, paid annual leave, long service leave money, uniform allowance, and bonuses (production services). In addition to allowances granted to employees are also facilities such as medical treatment (outpatient and inpatient).

The Company also provides pension fund, among others in the form of a defined contribution to the benefits obtained on retirement in the form of monthly income, retirement savings, life insurance and retiree health care (Prokespen).

Freedom of Association and Industrial Relations

As an effort to engender discipline in its employees, the Company has established three categories of work violations and disciplinary penalties for violating the provisions, namely mild, moderate, and severe violations/penalties. To follow up the violations, the Company formed a Bipartite Cooperation Institution (BCI) bipartite comprising representatives of the Company and the employee representatives, with a function to provide advice and opinion when the Board of Directors is to impose disciplinary punishment moderate or severe to employees, where employees can file an objection in accordance with the provisions stipulated.

Employee Training and Development

Bio Farma conducts training and development programs for employees on an ongoing basis to maintain their performance quality and improve their competence. Each employee has equal opportunity to improve their competence based on the competence, ability and skills they already possessed. There are various forms of training conducted in-house as well as in educational institutions/outside training in the form of competency training, functional/technical skills, and certification of expertise required as mandatory training, managerial training as well as a variety of knowledge-sharing sessions.

Employee Turnover

One of the several supporting functions of Bio Farma's vision, mission, and strategy is the Human Capital function, which includes "People, Skills & Roles" concept. Through proper management, Bio Farma employees are the main capital to generate added value for stakeholders.

	20-30 YEARS		31-40 YEARS		41-50 YEARS		51-56 YEARS	
REASON	M	F	M	F	M	F	M	F
Resign		5			2			
Voluntary Retirement			1		1		1	
Normal Retirement							7	

In 2015, turnover rate was 0,9%.

OCCUPATIONAL HEALTH & SAFETY (OHS)

OHS Policy

Bio Farma consistently implements OHS management system and is internationally acclaimed so as to be able to obtain OHSAS 18001:2007 certification in 2009. To ensure the OHS management system is well implemented, an organization was founded, including the Environmental Health and Safety section which serves to monitor the implementation of OHS and environmental management system in Bio Farma. In addition, Bio Farma also formed a committee of OHS Advisor and also an Emergency Response Team.

To respond to emergencies and minimize the impact of emergencies on employees, assets of the Company, society and environment, a procedure with Document Number 214K-KTD-01 was created that includes control, action anticipation and coping with the emergency (fire, earthquake, riots and threats) within 24 hours as well as its reporting and emergency preparedness and response system command. In addition, a procedure was made on the use of fire extinguishers, hydrants and fire alarms to support fire prevention and suppression activities that includes deployment, operation and maintenance of extinguishers and fire detection.

OHS ACTIVITIES

Emergency Response

To gauge the emergency response system efficacy, an emergency response procedure drill is regularly conducted, with the purpose to be understood and executed by all employees. Emergency Drill and Simulation is done every 2 years by involving the employees and surrounding community.

Employee Health

To ensure the employees health, health monitoring was done as regulated in the Standard Procedure 100K-SIS-08 on Employee Health Monitoring, which is implemented to eliminate potential source of contamination from the employees and also to protect the employees from hazardous factors while working in all areas of Bio Farma.

Monitoring of Food Catering

In addition to monitoring the employee health, monitoring of food catering is also provided by the Company to fulfill the nutritional needs of the employees in accordance with the applicable laws and regulations. The procedure was regulated in the Standard Procedure 236K-MonC-01.

Safe Work Hours

Safe work hours are work hours during which no accidents occurred. Safe work hours in 2013 was 2,653,644, and in 2014 was 2,839,393 hours.

Work Environment Measurement

Work environment assessment is carried out throughout the Company. Parameters measured were noise and light intensity.



CSR ON SOCIAL AND COMMUNITY DEVELOPMENT

Dalam bagian ini, sesuai dengan ketentuan OJK, uraian In this section, in accordance with the provisions of OJK, descriptions related to CSR on Social and Community Development area include the policy set by the management, activities carried out and costs incurred. Included in social and community development are activities such as community empowerment, facilities and social infrastructure renovation, and provision of other donations.

SOCIAL AND COMMUNITY DEVELOPMENT POLICY

Corporate Social Responsibility (CSR) is an ongoing commitment from the management to achieving development goals by balancing economic, social, and environmental aspects, to minimize negative impacts and maximize positive impacts on each pillar. Corporate social responsibility is a form of responsibility of Bio Farma as an effort to enhance its relationship with the society and the environment. Bio Farma's concern to social responsibility is not separated from the fact that the social dimension affects business activities, and this social dimension is not a separate entity but rather goes hand in hand to improve the sustainability of the Company's business processes.

Corporate social responsibility activities carried out by the Social and Community Development Program aims to improve the social well-being and quality of life of marginalized communities and are implemented through the Community Development Programs. The Community Development Programs itself are part of the Partnership and Community Development Program (PKBL) as mandated by the Government to SOEs. In addition, the programs are also implemented through CSR Programs.

Target area of PT Bio Farma (Persero)'s CSR and PKBL programs is divided into three regions according to the distribution based on their distance to PT Bio Farma (Persero): Ring-1 consists of citizens who live around Bio Farma, namely: Subdistricts of Sukajadi – City of Bandung and Cisarua – West Bandung Regency. Ring-2 consists of citizens who live outside the area, or not in direct contact with Bio Farma (West Java). Ring-3 consists of the national population.

ACTIVITIES CARRIED OUT IN 2015

Social and Community Development Program carried out through the Community Development Program are distributed in the form of (1) Health Assistance and Improvement, (2) Education and Training Assistance, (3) Nature Conservation Assistance, (4) Infrastructure and Public Facilities Development Assistance, (5) Spiritual and Religious Facilities Assistance, (6) Relief for Victims of Natural Disasters, (7) Social Welfare Assistance for Poverty Eradication, and (8) Educational, Training, Apprenticeship, Marketing, Promotions, and other forms of assistance related to the efforts of improving the capacity of Development Partners (Mitra Binaan) of the Partnership Program. The forms of aid which has been implemented throughout 2015 are as follows:

1. Health Assistance and Improvement activities were carried out through free Flubio vaccination and medical treatment, health care equipment for clinic, facilities and equipment for Posyandu and construction of emergency room at the health center.
2. Education and Training Assistance in the form of sports supplies and educational facilities for Pondok Pesantren and PAUS, as well as scholarships.
3. Nature Conservation Assistance was carried out through provisions of bamboo seedlings in Bogor, berwana trees planting in Ciletuh Geopark, Sukabumi and tree planting in Pangandaran.
4. Infrastructure and Public Facilities Development Assistance was carried out in the form of renovation of public infrastructure including RW office construction, trash cart, uniforms for workers, toilets construction, road retaining wall construction, and construction of clean water supply.
5. Spiritual and Religious Facilities Assistance was carried out through provision of assistance in the form of spiritual and religious infrastructure and facilities as well as equipment for related activities.
6. Relief for Victims of Natural Disasters aims to ease the burden of victims of natural disasters or calamities. In 2015, Bio Farma provided assistance to victims of flood in Dayeuhkolot area, victims of cyclones in East Bandung area, aid for victims of landslide in Cililin and Andir, Lembang areas.

7. Social Welfare Assistance for Poverty Eradication is given in the form of equipment and business support provided to the community of micro enterprises located in the company's surroundings, as well as the provision of business support equipment for PKK groups.
8. Educational, Training, Apprenticeship, Marketing, Promotions, and other forms of assistance related to the efforts of improving the capacity of Development Partners of the Partnership Program is given in the form of entrenepeneur ship training to potential Development Partners and Development Partners meeting to increase the entrepreneurial knowledge and skills as well as building synergy among the Development Partners.

In addition to the Community Development Program, Bio Farma also empowers the community's economy through Partnership Program, which is part of the Community Development Program. In 2015, Bio Farma also ran the Partnership program by providing soft loans for small and medium business owners to expand their businesses. This program is considered to be a revolvling loan program, meaning that repayments from development partners are channeled back to other development partners. The amount of Partnership Program funding in the period of January – December 2015 was Rp4,963,000,000, provided to 185 development partners.

Social and Community Development Program carried out through CSR Program consists of 4 priority program pillars, which are: (1) Health, (2) Education, (3) Economy, and (4) Environment. The activities which were carried out in 2015 are as follows:

1. Health Pillar
   a. Prevention of dengue fever through fogging conducted at several areas surrounding the Company. This aid was given to areas who already had recorded cases of dengue.
   b. Health improvement for the community who had difficulties in obtaining medical service, therefefore the Company provided free dental and health check-up, Clean Living Behaviors, and Additional Nutrition Packages, to improve nutrition. Health improvement assistance was given by the Company to the indigenous community of Baduy in Lebak, Banten Province.
   c. The Company participated and supported blood donation activites to help the Indonesian Red Cross in fulfilling the blood supply especially in IRC Bandung Chapter.
   d. Improvement of health services for people during Eid Mubarak celebrations is a regular service carried out by the Company annually by establishing health posts along the travel routes.
   e. The Company participated in social activities arranged by the community, such as elephantiasis elimination month mass treatment activity, infant mortality prevention caused by low birthweight. other things carried out by the company was providing aids for people with low vision and birth control service for the community.
2. Education Pillar
   a. Capacity enhancement involving multiple stakeholders especially in Ciletuh Geopark Area development program. Other things carried out were Focus Group Discussions (FGD), mangrove ecosystem management training, rock climbing guide training, mango processing training, information dissemination on Ciletuh Geopark to the young people, and comparative study for the local community of Ciletuh Geopark area to Bromo Tengger Semeru.
   b. Capacity enhancement for mangrove conservation development program by providing milkfish processing training for local community in the coastal areas of Karangsong, Indramayu.
   c. Capacity enhancement for Garut Sheep Breeding Program by providing instutitional training for Sheep Breed Group in Garut Sheep Breeding Village.
   d. The Company participated in social activities in the field of education, such as scholarships, educational development throught seminars and community activities, as well as the preservation of local culture.

3. Economy Pillar
   a. Capacity enhancement for breeders related to food security program through cultivation of free-range chicken in cooperation with Chikensu group in Sukabumi Regency and Centra Pensi in Bandung Regency.
   b. Capacity enhancement in Ciletuh Geopark Area by community development through Pakidulan Batik Group, construction of Batik Production House, construction of batik waste treatment system, and Batik Pakidulan promotion through Trade Expos.
   c. Capacity enhancement trhough provision of infrastructure and facilities assistance for Mizumi Koi Farm Group on Good Ornamental Fish Breeding Practice assessment from the Ministry of Maritime Affairs and Fisheries.

4. Environment Pillar
   a. Capacity enhancement for the community through silvofishery activity and addition of biodiversity of mangrove ecosystem in cooperation with LSM Siklus to improve the mangrove conservation program in the areas along the northern coastline of West Java.
   b. Nature conservation through mangrove trees planting in cooperation with LSM Ilalang to improve the mangrove conservation program in the areas along the southern coastline of West Java.
   c. Capacity enhancement for the community in Ciletuh Geopark Area by construction of travel routes, rescue training for handling tourist safety, construction of gabions in mangrove conservation area, and promotion of Ciletuh Geopark Area through Ciletuh Geopark 2015 potential tourism expo in cooperation with West Java Provincial Government.
   d. Biodiversity conservation through Garut Sheep Breeding.
   e. The Company was directly involved in the reforestation of degraded land, green areas rearrangement, construction of water absorption wells and water filtration apparatus for clean water supply in West Java.
   f. Local wisdom conservation of Baduy indigenous community by providing assistance for cultural village construction.
   g. Capacity enhancement for the community through environment-based waste management in Garut.

The CSR and Community Development Programs also cover environmental protection activities as follows.

PRIMATE CONSERVATION

The International Union for Conservation of Nature (IUCN) states that there are currently 25 endangered species of primate in the world, some of which live in Indonesia. They are the Sumatran Orangutan (Pongo abelii), the Siau Island Tarsier (Tarsius tumpara), the Javanese Lemur (Nycticebus javanicus) and the Pig-tailed Langur (Simias cocolor). In the Regulation of the Minister of Forestry No. P57/2008, the Indonesian government created a catalog of these endangered primate species, and from this list, the species that are endemic to the region of West Java that are listed as national priority are the Javanese Silvery Gibbon (Hylobates moloch) and the Javan Surili (Presbytis comata).

The Company maintains a primate conservation and rehabilitation program throughout 2013–2015 in cooperation with PPSC Cikananga, Sukabumi. The program managed to release 21 primate species including orangutans, gibbons, macaques, ebony-leaf langurs and silvery-leaf langurs in the wild. The Company also performed rehabilitation on other primate species to be released back to their native habitats. In 2015, the Company had adopted and rehabilitated 41 long tailed monkeys.

"The role of the business sector in the development of a geopark is new and has never existed in the Global Geopark before. Bio Farma can be a model for UNESCO Global Geopark in terms of the involvement of business sector on the development of geoparks."

Prof. Guy Martini, 2015
Secretary UNESCO Global Geopark



GEOTOURISM VILLAGE DEVELOPMENT PROGRAM IN CILETUH GEOPARK

Geopark concept is a model and an alternative instrument for sustainable development with the philosophy to celebrate the earth's heritage and improve social welfare. A geopark is a geographical area where a geological heritage site is part of the overall concept of protection, education, and sustainable development. Geopark is a concept of geodiversity management that takes the form of a tourist attraction which includes geological, biological, socio-cultural and tourism potentials.

The Ciletuh region is located on the southeast of the Pelabuhan Ratu Bay, Sukabumi, West Java. Ciletuh Geopark possesses one of the oldest pre-tertiary rock complexes in West Java. Ciletuh Geopark boasts an exotic scenery of mountains, hills, river, waterfall, beach, and an amazing view of the ancient rocks.

Bio Farma develops Geotourism village located in Tamanjaya Village, Ciemas District, Sukabumi. This part of Ciletuh Geopark is developed in conjunction with the West Java Provincial Government, Sukabumi Municipal Government, and the Paguyuban Alam Pakidulan Sukabumi (PAPSI) community group. Based on the data and experiences in Asia Pacific Geoparks Network dan UNESCO Global Geopark, there has never been any corporation that actively supported a geopark area development in Asia, even for a Global Geopark. Therefore, Bio Farma is the first company in the world that actively supports a geopark area development.

Bio Farma encourages Ciletuh Geopark, which is located on Ciemas District, Sukabumy Regency, West Java, to receive special attention from UNESCO Global Geopraks. To achieve this, Ciletuh Geopark needs to meet the requirements established in the



"Ciletuh have an incredible potential to be developed as a Geopark. Bio Farma has become a pioneer, as the first company to actively support and involved in Geopark development in Asia."

Mr Ibrahim Komoo
President Asia Pacific Geopark Network (APGN)

Guideline established by UNESCO, including the preparation of the submission dossier. Based on the assessment done by the Task Force for the Geologic Museum Revitalization of the Ministry of Energy and Mineral Resources and the Geopark Development Optimization, Ciletuh Geopark was inaugurated as a National Geopark on 22 December 2015. Ciletuh Geopark is the first in Indonesia to meet National Geopark Standard based on UNESCO Geopark standards.

This program has provided benefits for the community. Through procurement and clean water pipelines construction, in 2015 there were 40 families, 2 homestay units, and 21 small businesses that have benefited from this activity. The number of homestay grew from 2 units in Tamanjaya Village in 2013 to 23 units in 2015. Moreover, this activity has provided jobs for 18 tour guides. The number of visitors to Ciletuh Geopark has reached 706 people by mid-2015. (source: PAPSI)

BATIK PAKIDULAN: ENVIRONMENTALLY-FRIENDLY BATIK

One of the components of geoparks is cultural diversity, especially culture related to geological heritage in the geopark area. Ciletuh Region has the potential from the cultural diversity inspired from beauty of nature, the people's philosophy, and biodiversity. Such a potential was brought about to life in the form of Batik Pakidulan, taking place in Purwasedar Village, Sukabumi Regency.

As a Company which is committed to preserving nature, the program run by Bio Farma in order to empower Batik Pakidulan artisans aims to develop batik production processes that are environmentally friendly. By developing environmentally friendly production processes, negative impact of batik production on the environment can be reduced. Efforts done to reduce the negative impact include the use of dyes with nanotechnology. The use of nanotechnology dyes can reduce waste contamination when compared to conventional synthetic dyes. This is because the dye can be more easily absorbed into the fabric so that the rest of the dye produces less waste compared to conventional synthetic dye batik production facilities. In addition, Batik House Pakidulan Facilities are equipped with wastewater treatment plant (Mini WWTP), to manage the contamination of waste water coming from the batik waste water treatment.

The Batik Pakidulan initiative has grown from initially 2 people to 35 people in 2015, thus becoming a new source of income for the Purwasedar villagers.

MANGROVE CONSERVATION

Since 2012, Bio Farma has implemented a biodiversity management and development program through mangrove conservation program in cooperation with LSM Siklus in Indramayu Regency and Ilalang Community in Pangandaran Regency.

The program in the coastal areas of Karangsong, Indramayu Regency, West Java, has been carried out since 2012, involving the planting of some 20,600 mangrove tress from the Avicennia sp., Rhizophora sp., Bruguiera sp., and Sonneratia sp. species in an area of around 5.5 hectares. This program was carried out in cooperation with LSM Siklus, Karangsong villagers, Indramayu Marine and Fisheries Department, Indramayu Forestry and Plantation Department, and Walhi West Java. The program successfully reduced coastal erosion in the coastal areas of Pantai Utara West Java by using wavebreakers made from bamboo and used tyres donated by the Company's employees. The wavebreakers are 660 meters long and are used to modulate ocean waves and currents. Currently, LSM Siklus has successfully developed mangrove conservation concept by developing silvofishery (mangrove, shrimp, and milkfish).

The Southern Coastal Areas of West Java in Bulak Setra, Pangandaran Regency, has been developed not only to be a mangrove conservation area but also to provide educational tours using the mangrove forest ecosystem approach. For the implementation of this program, the Company cooperates with Ilalang Community and the local community of Bulak Setra.



In this cooperation, the Company has provided mangrove conservation training, mangrove forest ecotourism development aids, and planted around 6,400,000 mangrove trees.

The Result of the Biodiversity Protection Program through Mangrove Conservation carried out by Bio Farma is as follows:

ACTIVITY	ABSOLUTE RESULTS FOR YEAR				UNIT
	2012	2013	2014	2015	
Mangrove Conservation	-	-	6	16	Mangrove species in Bulak Setra, Pangandaran Regency
	2	3	4	4	Mangrove species in Karangsong, Indramayu Regency
Conservation Zone	-	-	1,5	2	Mangrove Conservation Zone in hectares in Bulak Setra, Pangandaran Regency
	-	1	2	25	Mangrove Conservation Zone in hectares in Karangsong, Indramayu Regency
Mangrove Ecosystem	-	22	22	22	Flora species in Bulak Setra, Pangandaran Regency
	-	-	-	12	Flora species in Karangsong, Indramayu Regency
	-	9	9	9	Fauna species in Bulak Setra, Pangandaran Regency
	-	-	-	18	Fauna species in Karangsong, Indramayu Regency
Abrasion Treatment	-	-	500	660	meter (m) in Karangsong, Indramayu Regency

GARUT SHEEP BREEDING VILLAGE PROGRAM

Garut Sheep is the easiest breed of cattle to be bred in this world. However, sheep breeding is relatively stagnant at this moment, with the genetic purity of the purebred sheep declining due to predominantly uncontrolled sheep mating (sheep-breeding) with other sheep species or inbreeding (where closely biologically related animals are mated). Statistics of Husbandry and Animal Health in 2012 recorded the population of sheep to be quite large in Indonesia, at around 13.4 million sheep. 8.2 million of which were in West Java

(61% of the national sheep population) and in the same year it also recorded the slaughter of some 567,000 sheep in West Java.

Considering the importance to preserve one of the biodiversities for the society's welfare and preservation of the indigenous livestock of West Java, Bio Farma carried out the Garut Sheep Breeding Program as part of the Company's CSR. Location of the village is at Wanajaya Village, Wanaraja District, Garut Regency.

In 2015, the Maintenance Facility of Garut Sheep Breeding Village was inaugurated by applying biosecurity principles for the breeding male and female Garut Sheep having prime Garut Sheep morphology. In addition, DNA analysis was carried out for all breeding sheep to determine the superior genetic potential of Garut Sheep.

EXPENDITURES

The expenses incurred for community development activities as part of the Community Development Programs throughout 2015 amounted to Rp 6,479,182,341, with the details as follows:

- Health Assistance and Health improvement Rp2,175,412,412;
- Education and/or Training Assistance Rp1,342,548,250;
- Nature Conservation Assistance Rp352,846,750;
- Infrastructure and Public Facilities Development Assistance Rp250,565,712;
- Spiritual and Religious Facilities Rp1,394,441,000;
- Relief for Victims of Natural Disasters Rp141,193,300;
- Social Welfare Assistance of Poverty Eradication Rp365,018,667;
- Training Aids & Promotion Rp457,156,250;

Total Rp6,479,182,341.

Furthermore, the funding for Bio Farma's Social and Community Development Program does not only come from the Company's own budget but also from the Company's CSR budget. The amount of funding in 2015 was Rp 3,704,615,637, with the details as follows:

1.	Health Sector Assistance	Rp	1,069,596,865
2.	Education Sector Assistance	Rp	485,610,992
3.	Economy Sector Assistance	Rp	503,835,230
4.	Environment Sector Assistance	Rp	1,645,572,550
	Total	Rp	3,704,615,637

CSR ON PRODUCT RESPONSIBILITY

Product responsibility means that Bio Farma is responsible for the products manufactured as safe for the environment and consumers' health, and also the Company's responsibility for complying with the applicable regulations and laws on products, including on advertising, labeling, packaging and product information. In this section, policy set by the management is described, along with activities carried out regarding product responsibility such as customer health and safety, infrastructures, number and handling of customer complaints, etc.

POLICIES SET BY THE MANAGEMENT

Bio Farma implements an integrated management system based on meeting customers' requirements and the provisions contained in Good Manufacturing Practice (GMP), Good Manufacturing Practices (GMP) ASEAN, WHO GMP and the product requirements set forth in the Series of WHO guideline including Technical Report (Technical Report Series), Good Laboratory Practices – GLP, Good Clinical Practices – GCP, Good Distribution Practices – GDP, quality management system ISO 9001, environmental management system ISO 14001, occupational health and safety management systems (OHSAS 18001), Good Corporate Governance – GCG, Corporate Risk Management – CRM, Social Responsibility – SR, International Financial Reporting Standards (IFRS), ISO 17205 for laboratories testing in Vaccination and Clinical Division, as well as other regulations related to performance improvement of Bio Farma.

PROCEDURES IMPLEMENTED BEYOND PRODUCT LABELING AND PACKAGING

Product Labeling and Packaging

Product assurance and quality assurance are carried out since the beginning, from selection of raw materials vendors. Vendors who are directly involved with end products need to implement minimum standards of quality, environmental and occupational health and safety (OHS). Bio Farma periodically conducts audits of vendors to ensure the implementation of these standards are applied properly so that the quality of raw materials can be ensured to be in accordance with established specifications. At the stage of formulation

process, we also impose in-process control. Before the products are marketed, final products are tested by the Food and Drugs Supervisory Agency (BPOM) so that the products marketed are the products that have passed the BPOM test, meet quality standards and in accordance with national and international specifications.

Our customers will always obtain accurate data regarding the product information received because the data presented is a product-related data that has received approval from the BPOM and WHO. Customers can easily obtain product information on the Company's website that can be accessed anytime. Additional information related to health can be discussed directly through social media managed by employees who are competent in their field.

Consumer Complaints Service

Bio Farma provides consumer complaints service capable of responding and follow-up on any complaints, with the prevention mechanism of KIPI. Bio Farma continues to socialize through distributors, doctors, and health workers to utilize the KIPI reporting mechanism, whereby an independent team will be able to follow-up on consumer complaints and address any complaints immediately. Bio Farma has never received any complaint regarding violations in providing product informations and privacy violations.

Consumers' Access to Communication

Bio Farma provides communications access through these channels:

Bio Farma conducts meetings and information sharing sessions regularly with customers in various regions. The meetings are arranged in cooperation with the Ministry of Health, Vaccination Sub-Directorate, Ministry of Health Public Communication, Health Promotion, as well as variety of health-related organizations, such as Indonesian Pediatric Association, and the Indonesian Pharmaceutical Association. It is intended to raise the awareness about the importance of disease prevention through vaccination to improve the quality of life. The meeting is also useful for the participants which consist of health practitioners, midwives, vaccinators, community leaders, religious leaders, housewives, health posts activists, and the public, as a means of education on the importance of vaccine as part of disease prevention for the community.

Bio Farma believes that such events would create a two-way communication ranging from criticism and suggestions to information sharing, and would give feedback for Bio Farma. Bio Farma also gets the opportunity to provide education about the importance



of prevention, healthy living, preservation of the environment and strengthen the bond between both sides and enhance their understanding of each other and narrow the gap between the customers' demands and Bio Farma's capability.

In 2015, Bio Farma carried out various Customers Meeting activities in various cities and regencies in 17 provinces in Indonesia. Through these activities we obtained feedback by increasing public awareness of the importance of vaccines to assist the government in increasing vaccination coverage nationwide.

Customer Satisfaction Survey

Bio Farma periodically conducts information gathering activity with the purpose to identify, analyze, and provide information on the needs development, wishes, expectations, preferences, customer satisfaction and behavior that can be used to define and fulfill the Company's policies, continuous improvement and enhance the performance of Bio Farma's quality system. Customers are of utmost importance in providing such data, and other sources that can be used to assess customer satisfaction also exist. In order for customer satisfaction survey to get accurate data, the implementation mechanism is set in the Company's guidelines and standard procedures, under the responsibility of the Product Development Department. To obtain accurate and thorough results, the survey is conducted by an independent party and involves national and international customers.



FINANCIAL STATEMENTS

PT BIO FARMA (PERSERO)

LAPORAN KEUANGAN

Untuk Tahun Yang Berakhir Pada

Tanggal-Tanggal 31 Desember 2015 dan 2014 dan 1 Januari 2014/31 Desember 2013

DAN LAPORAN AUDITOR INDEPENDEN

FINANCIAL STATEMENTS

For The Years Then Ended

December 31, 2015 and 2014 and January 1, 2014/December 31, 2013

AND INDEPENDENT AUDITORS' REPORT

PT. BIO FARMA (Persero)
Jl. Pasteur No. 28 Bandung 40161 Indonesia, PO. Box 1136, Telp. 022 2033755, Fax 022 2041306
email : mail@biofarma.co.id – http : //www.biofarma.co.id

DAFTAR ISI ***TABLE OF CONTENTS***

	Halaman/ *Page*	
SURAT PERNYATAAN DIREKSI	347	*BOARD OF DIRECTORS' STATEMENT*
LAPORAN AUDITOR INDEPENDEN	348	*INDEPENDENT AUDITORS' REPORT*
Laporan Posisi Keuangan	351	*Statement of Financial Position*
Laporan Laba Rugi dan Penghasilan Komprehensif Lain	353	*Statement of Profit or Loss and Other Comprehensive Income*
Laporan Perubahan Ekuitas	354	*Statement of Changes in Equity*
Laporan Arus Kas	355	*Statement of Cash Flows*
Catatan atas Laporan Keuangan	356	*Notes to Financial Statements*

SURAT PERNYATAAN DIREKSI TENTANG
DIRECTORS' STATEMENT LETTER RELATING TO

TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
THE RESPONSIBILITY FOR FINANCIAL STATEMENT

Untuk Tahun yang Berakhir 31 Desember 2015 dan 2014 / *for the Year Ended December 31, 2015 and 2014*

PT. BIO FARMA (PERSERO)

Kami yang bertandatangan dibawah ini : / *We the undersigned :*

1.	Nama	Iskandar	*Name 1.*
	Alamat kantor	Jl. Pasteur No.28 Bandung 40161, Jawa Barat	*Office address*
	Alamat domisili/sesuai KTP atau identitas lain	Komplek Bio Farma No. 17 Bandung 40184	*Residential address/as stated in ID card or other identity card*
	Nomor Telepon	(022) 2033 755	*Phone*
	Jabatan	Direktur Utama/*President Director*	*Title*
2.	Nama	Pramusti Indrascaryo	*Name 2.*
	Alamat kantor	Jl. Pasteur No.28 Bandung 40161, Jawa Barat	*Office address*
	Alamat domisili/sesuai KTP atau identitas lain	Kav. Lestari II/63 RT/RW 012/007 Lebak Bulus, Cilandak – Jakarta	*Residential address/as stated in ID card or other identity card*
	Nomor Telepon	(022) 2033 755	*Phone*
	Jabatan	Dir. Keuangan/ *Finance Director*	*Title*

Menyatakan bahwa : / *State that :*

1. Kami bertanggungjawab atas penyusunan dan penyajian laporan keuangan; / *We are responsible for the preparation and the presentation of the financial statements;*
2. Laporan keuangan Perusahaan telah disusun dan disajikan sesuai dengan standar akuntansi keuangan di Indonesia; / *The Company's financial statements have been prepared and presented in accordance with Indonesian financial accounting standards;*
   a. Semua informasi dalam laporan keuangan Perusahaan telah dimuat secara lengkap dan benar; / *All information has been fully and correctly disclosed in the Company's financial statements;*
   b. Laporan keuangan Perusahaan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material; dan / *The Company's financial statements do not contain false material information or facts, nor do they omit material information or facts; and*
3. Kami bertanggung jawab atas sistem pengendalian intern dalam Perusahaan / *We are responsible for the Company internal control system.*

Demikian pernyataan ini dibuat dengan sebenarnya / *This statement letter is made truthfully*

Bandung, 4 Februari 2016 / *Bandung , February 4, 2016*

PT. BIO FARMA (Persero)

METERAI TEMPEL 6000

Iskandar
Direktur Utama / *President Director*

Pramusti Indrascaryo
Direktur Keuangan / *Finance Director*

PT. BIO FARMA (Persero)
Jl. Pasteur No. 28, Bandung 40161, Indonesia, P.O. Box 1136, Telp. 022-2033755, Fax. 022 2041306
e-mail : mail@biofarma.co.id - http : //www.biofarma.co.id

LAPORAN AUDITOR INDEPENDEN
Nomor : 384/LAI.15.BF-4/DWR/2016

INDEPENDENT AUDITORS' REPORT
Number : 384/LAI.15.BF-4/DWR/2016

Kepada Yth.,
Pemegang Saham, Dewan Komisaris dan Direksi
PT Bio Farma (Persero)

To :
The Shareholders, Board of Commissioners, and Directors PT Bio Farma (Persero)

Laporan Atas Laporan Keuangan
Kami telah mengaudit laporan keuangan PT Bio Farma (Persero) terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2015, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Report on the Financial Statements
We have audited the accompanying financial statements of PT Bio Farma (Persero), which comprise the statement of financial position as of December 31, 2015, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Tanggung jawab auditor
Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan dan perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Jalan Dr.Slamet No. 55 Bandung, Tlp. 022-2034044, Fax. 022-2037466
Email : kapdw@yahoo.com

LAPORAN AUDITOR INDEPENDEN (lanjutan)
Nomor : 384/LAI.15.BF-4/DWR/2016

Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini
Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Bio Farma (Persero) tanggal 31 Desember 2015 serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Penekanan suatu hal
Sebagaimana diungkapkan dalam Catatan 2.c. atas laporan keuangan terlampir, Perusahaan menerapkan PSAK 1 (Revisi 2013) "Penyajian Laporan Keuangan" dan PSAK 24 (Revisi 2013) "Imbalan Kerja" yang berlaku efektif tanggal 1 Januari 2015, dan mereklasifikasi beberapa akun beban didalam laporan laba rugi dan penghasilan komprehensif lain yang menyebabkan dilakukannya penyajian kembali laporan keuangan tanggal 31 Desember 2014 terlampir oleh Perusahaan sebagaimana disyaratkan oleh Standar Akuntansi Keuangan di Indonesia. Opini kami tidak dimodifikasi sehubungan dengan hal tersebut.

Catatan 2.j.2 dan 13 atas laporan keuangan terlampir menjelaskan bahwa Perusahaan merubah model pengukuran aset tetap tanah dari model biaya menjadi model revaluasi. Perubahan tersebut menyebabkan nilai tercatat aset tetap tanah meningkat sebesar Rp2.042.043.115.043, dan jumlah ekuitas meningkat sebesar Rp1.980.781.821.592 (setelah dikurangi dampak pajak). Opini kami tidak dimodifikasi sehubungan dengan hal tersebut.

INDEPENDENT AUDITORS' REPORT (continued)
Number : 384/LAI.15.BF-4/DWR/2016

In making those assessments the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bio Farma (Persero) as of December 31, 2015 and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of matter
As disclosed in Note 2.c. to the accompanying financial statements, the Company adopted the PSAK 1 (Revised 2013) "Presentation of Financial Statements" and PSAK 24 (Revised 2013) "Employee Benefit" which are effective on January 1, 2015, and reclassified several expense accounts in the statement of profit or loss and other comprehensive income which caused the restatement of the accompanying financial statements as of December 31, 2014 by the Company as required by Indonesian Financial Accounting Standards. Our opinion is not modified in respect to this matter.

Notes 2.j.2 and 13 to the accompanying financial statements state that the Company has changed the measurement model of its lands from cost model to revaluation model. The change caused the carrying value of the asset increase by Rp2.042.043.115.043 and total equity increase by Rp1.980.781.821.592 (net of taxes). Our opinion is not modified in respect to this matter.

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LAPORAN AUDITOR INDEPENDEN (lanjutan)
Nomor : 384/LAI.15.BF-4/DWR/2016

Laporan atas kepatuhan terhadap peraturan perundang-undangan dan pengendalian internal

Kami juga melakukan pengujian atas kepatuhan Perusahaan terhadap peraturan perundang-undangan tertentu dan pengendalian internal. Kepatuhan terhadap peraturan perundang-undangan dan pengendalian internal adalah tanggung jawab manajemen perusahaan. Tanggung jawab kami terletak pada pernyataan pendapat atas kepatuhan terhadap peraturan perundang-undangan tertentu dan pengendalian internal berdasarkan audit kami. Pengujian atas kepatuhan terhadap peraturan perundang-undangan tersebut kami laksanakan berdasarkan Standar Pemeriksaan Keuangan Negara yang diterbitkan Badan Pemeriksaan Keuangan Republik Indonesia dan Pernyataan Standar Audit Nomor 62 yang ditetapkan oleh Institut Akuntan Publik Indonesia.

Laporan kepatuhan terhadap peraturan perundang-undangan dan pengendalian internal disampaikan secara terpisah kepada manajemen dalam laporan kami Nomor 052A/LAK.15.BF-4/DWR/2016 dan Nomor 052B/ LAK.15.BF-4/DWR/2016 tanggal 4 Februari 2016.

INDEPENDENT AUDITORS' REPORT (continued)
Number : 384/LAI.15.BF-4/DWR/2016

Report on the Company's compliance with laws and regulations and internal control

We have also tested the Company's compliance with certain laws and regulations and internal control. Compliance with laws and regulations and internal control are the responsibility of the management of the Company. Our responsibility is to express an opinion on compliance with those laws and regulations and internal control based on our audit. The tests of compliance with certain laws and regulations were conducted based on Government Auditing Standards released by the Supreme Audit Board of the Republic of Indonesia and the Statement on Auditing Standard Number 62 issued by the Institute of Certified Public Accountant.

Our report relating to the compliance of the Company with laws and regulations and internal control are submitted separately to the Company's management in our reports Number 052A/LAK.15.BF-4/DWR/2016 and Number 052B/ LAK.15.BF-4/DWR/2016 dated February 4, 2016.

Rekan/*Partner*,

Djoemarma Bede, CPA
Nomor Ijin Akuntan Publik: AP.0190/*License of Public Accountant No. AP.0190*

Bandung, 4 Februari 2016/*February 4, 2016*

Jalan Dr.Slamet No. 55 Bandung, Tlp. 022-2034044, Fax. 022-2037466
Email : kapdw@yahoo.com

PT BIO FARMA (PERSERO)
LAPORAN POSISI KEUANGAN
31 Desember 2015 dan 2014, dan 1 Januari 2014
(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

PT BIO FARMA (PERSERO)
STATEMENT OF FINANCIAL POSITION
As of December 31, 2015 and 2014, and January 1 2014
(Expressed in Rupiah, unless otherwise stated)

ASET	Catatan/ Note	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014* (Disajikan Kembali / Restated)	1 Januari 2014 *January 1, 2014* (Disajikan Kembali / Restated)	*ASSETS*
ASET LANCAR					***CURRENT ASSETS***
Kas dan Setara Kas	2.h., 3	555.939.258.294	971.717.046.000	891.250.766.156	*Cash and Cash Equivalents*
Efek Tersedia Untuk Dijual	2.g., 2.h., 4	-	25.599.792.849	-	*Available For Sale Securities*
Piutang Usaha (setelah dikurangi penyisihan penurunan nilai Rp312.622.025 pada 31 Desember 2015, Rp122.481.675 pada 31 Desember 2014, dan Rp39.963.975 pada 1 Januari 2014)	2.g., 2.h., 5	507.746.089.376	257.259.801.488	288.245.632.609	*Trade Receivables (Net of provision for impairment of Rp312.622.025 on December 31, 2015, Rp122.481.675 on December 31, 2014 and Rp39.963.975 on January 1, 2014)*
Piutang Lain-Lain (setelah dikurangi penyisihan penurunan nilai Rp1.302.637.458 pada 31 Desember 2015 dan 2014, dan 1 Januari 2014)	2.g., 2.h., 6	822.213.060	850.045.644	345.695.659	*Other Receivables (Net of provision for impairment of Rp1.302.637.458 on December 31, 2015 dan 2014, and January 1, 2014)*
Persediaan (setelah dikurangi penyisihan penurunan nilai Rp5.891.672.358 pada 31 Desember 2015 dan Rp4.056.315.911 pada 31 Desember 2014 dan Rp1.937.136.864 pada 1 Januari 2014)	2.i., 7	462.557.268.255	326.600.044.823	204.898.642.887	*Inventories (Net of provision for impairment of Rp5.891.672.358 on December 2015, Rp4.056.315.911 on December 31,2014, and Rp1.937.136.864 on January 1, 2014)*
Uang Muka	8	102.353.243.161	50.412.492.381	38.623.576.284	*Advances*
Pajak Dibayar Dimuka	2.n., 9	242.720.019.469	154.008.287.440	96.972.139.772	*Prepaid Taxes*
Biaya Dibayar Dimuka	2.l., 10	10.163.126.875	4.767.416.002	1.590.600.267	*Prepaid Expenses*
Pendapatan Yang Masih Akan Diterima	2.l., 11	1.591.887.435	2.725.696.829	3.103.901.498	*Accrued Income*
Aset Lancar Lainnya	12	111.887.970.120	30.697.999.071	17.870.452.584	*Other Current Assets*
Jumlah Aset Lancar		**1.995.781.076.044**	**1.824.638.622.527**	**1.542.901.407.716**	***Total Current Assets***
ASET TIDAK LANCAR					***NON CURRENT ASSETS***
Aset Pajak Tangguhan	2.n., 9	22.086.828.515	17.874.056.221	14.446.956.625	*Deferred Tax Assets*
Aset Tetap (setelah dikurangi akumulasi penyusutan Rp845.014.518.670 pada 31 Desember 2015, Rp722.959.394.505 pada 31 Desember 2014, dan Rp605.800.589.556 pada 1 Januari 2014)	2.j., 13	3.605.537.013.968	1.163.473.244.976	1.126.085.478.917	*Property, Plant and Equipment (Net of accumulated depreciation of Rp845.014.518,670 on December 31 2015, Rp722.959.394.505 on December 31, 2014, and Rp605.800.589.556 on January 1,2014)*
Aset Takberwujud (setelah dikurangi akumulasi amortisasi Rp11.358.121.029 pada 31 Desember 2015, Rp4.392.006.950 pada 31 Desember 2014 dan Rp2.029.191.105 pada 1 Januari 2014)	2.k.,14	36.005.019.563	37.855.462.048	20.214.346.797	*Intangible Assets (Net of accumulated ammortization of Rp11.358.121.029 on December 31, 2015, Rp4.392.006.950 on December 31, 2014 and Rp2.029.191.105 on January 1,2014)*
Aset Tidak Lancar Lainnya (setelah dikurangi akumulasi amortisasi Rp2.049.474.625 pada 31 Desember 2015, Rp1.673.441.667 pada 31 Desember 2014 dan Rp1.236.891.667 pada 1 Januari 2014)	15	21.253.299.538	766.323.829	956.273.829	*Other Non-Current Assets (Net of accumulated ammortization of Rp2.049.474.625 on December 31, 2015, Rp1.673.441.667 on December 31, 2014 and Rp1.236.891.667 on January 1,2014)*
Jumlah Aset Tidak Lancar		**3.684.882.161.584**	**1.219.969.087.074**	**1.161.703.056.169**	***Total Non Current Assets***
JUMLAH ASET		**5.680.663.237.628**	**3.044.607.709.602**	**2.704.604.463.885**	***TOTAL ASSETS***

Lihat catatan atas laporan keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan secara keseluruhan

See the accompanying notes which are an intergral part of the financial statements taken as a whole

PT BIO FARMA (PERSERO)
LAPORAN POSISI KEUANGAN
31 Desember 2015 dan 2014, dan 1 Januari 2014
(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

PT BIO FARMA (PERSERO)
STATEMENT OF FINANCIAL POSITION
As of December 31, 2015 and 2014, and January 1 2014
(Expressed in Rupiah, unless otherwise stated)

LIABILITAS DAN EKUITAS	Catatan/ Note	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014* (Disajikan Kembali / Restated)	1 Januari 2014 *January 1, 2014* (Disajikan Kembali / Restated)	*LIABILITY AND EQUITY*
LIABILITAS					***LIABILITIES***
Liabilitas Jangka Pendek					***Current Liabilities***
Utang Usaha	16	208.598.099.578	145.094.985.807	158.098.233.953	*Trade Payables*
Utang Pajak	2.n., 9	46.518.287.182	38.918.793.669	86.916.418.287	*Taxes Payable*
Biaya Yang Masih Harus Dibayar	17	170.307.683.566	128.279.650.927	112.780.949.155	*Accrued Expenses*
Pendapatan Diterima Dimuka	3.l.,18	898.715.051	1.366.412.394	5.405.049.445	*Unearned Revenue*
Liabilitas Lancar Lainnya	19	30.340.629.712	26.008.569.142	26.436.649.335	*Other Current Liabilities*
Jumlah Liabilitas Jangka Pendek		**456.663.415.089**	**339.668.411.939**	**389.637.300.175**	***Total Current Liabilities***
Liabilitas Jangka Panjang					***Non Current Liabilities***
Liabilitas Diestimasi atas Imbalan Pasca Kerja	2.o.,20	152.021.928.119	136.368.109.865	103.160.818.325	*Estimated Post-Employment Benefits Liabilities*
Liabilitas Tidak Lancar Lainnya	21	27.846.382.388	24.882.312.222	-	*Other Non-Current Liabillities*
Jumlah Liabilitas Jangka Panjang		**179.868.310.506**	**161.250.422.087**	**103.160.818.325**	***Total Non Current Liabilities***
JUMLAH LIABILITAS		**636.531.725.595**	**500.918.834.026**	**492.798.118.500**	***TOTAL LIABILITIES***
EKUITAS					***EQUITY***
Modal Saham Modal dasar 5.000.000 lembar saham pada 31 Desember 2015 dan 2014, dan 2.000.000 lembar saham pada 1 Januari 2014, nominal Rp.1.000.000 per lembar saham. Ditempatkan dan disetor penuh 1.650.000 pada 31 Desember 2015, 1.250.000 lembar pada 31 Desember 2014, dan 750.000 lembar pada 1 Januari 2014.	22	1.650.000.000.000	1.250.000.000.000	750.000.000.000	*Share Capital* *Authorized capital 5,000,000 shares on December 31, 2015 and 2014, and 2,000,000 shares on January 1, 2014, par value Rp1.000.000 per share. Issued and fully paid 1,650,000 as on December 31, 2015, 1,250,000 on December 31, 2014, and 750,000 shares as on January 1, 2014.*
Saldo Laba (Rugi)					*Retained Earnings*
Dicadangkan	23	816.422.044.549	786.074.860.369	941.919.524.322	*Appropriated*
Belum Dicadangkan	23	668.109.191.794	577.590.042.383	568.539.551.187	*Unappropriated*
Komponen Ekuitas Lainnya	24	1.909.600.275.690	(69.976.027.177)	(48.652.730.124)	*Other Equity Components*
JUMLAH EKUITAS		**5.044.131.512.033**	**2.543.688.875.576**	**2.211.806.345.385**	***TOTAL EQUITY***
JUMLAH LIABILITAS DAN EKUITAS		**5.680.663.237.628**	**3.044.607.709.602**	**2.704.604.463.885**	***TOTAL LIABILITY AND EQUITY***

Lihat catatan atas laporan keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan secara keseluruhan

See the accompanying notes which are an intergral part of the financial statements taken as a whole

PT BIO FARMA (PERSERO)
LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN
Untuk Tahun Yang Berakhir Tanggal 31 Desember 2015 dan 2014
(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

PT BIO FARMA (PERSERO)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Years Ended December 31, 2015 and 2014
(Expressed in Rupiah, unless otherwise stated)

	2015	Catatan/ Note	2014 Disajikan Kembali/ *Restated*	
PENJUALAN BERSIH				***NET SALES***
Produk Perusahaan	2.329.623.846.050	2.l., 25	2.028.988.085.136	*The Company's Product*
Barang Dagangan	11.435.935.050	2.l., 26	10.286.943.546	*Merchandise Product*
Jasa	4.858.488.851	2.l., 27	4.805.423.299	*Services*
Jumlah Penjualan Bersih	**2.345.918.269.952**		**2.044.080.451.981**	***Total Net Sales***
BEBAN POKOK PENJUALAN				***COST OF GOODS SOLD***
Produk Perusahaan	(852.361.076.333)	2.l., 28	(767.608.689.091)	*The Company's Product*
Barang Dagangan	(11.164.800.347)	2.l., 29	(8.826.987.298)	*Merchandise Product*
Beban Jasa	(3.961.990.073)	2.l., 30	(3.653.929.719)	*Services*
Jumlah Beban Pokok Penjualan dan Jasa	**(867.487.866.753)**		**(780.089.606.108)**	***Total Cost of Good and Services Sold***
LABA (RUGI) KOTOR	**1.478.430.403.199**		**1.263.990.845.873**	***GROSS PROFIT (LOSS)***
Penghasilan Lain-lain	129.064.005.350	2.l.,31	118.630.367.414	*Other Income*
Beban Administrasi dan Umum	(421.759.427.184)	2.l.,32	(349.010.128.464)	*General and Adminstrative Expenses*
Beban Penjualan	(126.818.100.027)	2.l.,33	(99.182.041.918)	*Selling Expense*
Beban Penelitian, Pengembangan dan Surveilans	(93.442.569.518)	2.m.,34	(88.779.215.457)	*Research, Developments and Surveillance Expenses*
Beban Lain-Lain	(66.200.735.869)	2.l.,35	(69.747.838.173)	*Other Expenses*
Jumlah	(579.156.827.247)		(488.088.856.599)	*Total*
LABA (RUGI) SEBELUM PAJAK PENGHASILAN	**899.273.575.951**		**775.901.989.275**	***PROFIT (LOSS) BEFORE INCOME TAX***
MANFAAT (BEBAN) PAJAK PENGHASILAN				***INCOME TAX BENEFITS (EXPENSES)***
Pajak Kini	(232.893.457.000)	2.n., 9	(197.135.974.750)	*Current Tax*
Pajak Tangguhan	4.212.772.294	2.n., 9	3.427.099.596	*Deferred Tax*
Jumlah Beban Pajak Penghasilan	(228.680.684.706)		(193.708.875.154)	*Total Tax Expenses*
LABA (RUGI) BERSIH	**670.592.891.245**		**582.193.114.121**	***NET PROFIT (LOSS)***
PENGHASILAN KOMPREHENSIF LAIN		36		***OTHER COMPREHENSIVE INCOME***
Pos Pos Yang Tidak Akan Direklasifikasi Ke Laba Rugi				***Items not to be reclassified to profit or loss***
Surplus Revaluasi Aset Tetap	1.980.781.821.592		-	*Surplus from asset revaluation*
Keuntugan (Kerugian) Aktuaria	(828.225.876)		(21.700.589.902)	*Actuarial Gain (Loss)*
Pos Pos Yang Akan Direklasifikasi Ke Laba Rugi				***Items to be reclassified to profit or loss***
Keuntungan (Kerugian) belum direalisasi atas kepemilikan efek tersedia untuk dijual	-		377.292.849	*Unrealized holding gain (loss) on available for sale securities*
Jumlah Penghasilan Komprehensif Lain Tahun Berjalan Setelah Pajak	**1.979.953.595.716**		**(21.323.297.053)**	***Total Other Comprehensive Income For the Period - Net of Tax***
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN	**2.650.546.486.961**		**560.869.817.068**	***TOTAL COMPREHENSIVE INCOME FOR THE YEAR***

Lihat catatan atas laporan keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan secara keseluruhan

See the accompanying notes which are an intergral part of the financial statements taken as a whole

PT BIO FARMA (PERSERO)
LAPORAN PERUBAHAN EKUITAS
Untuk Tahun-Tahun Yang Berakhir Tanggal 31 Desember 2015 dan 2014
(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

PT BIO FARMA (PERSERO)
STATEMENT OF CHANGES IN EQUITY
For the Years Ended December 31, 2015 and 2014
(Expressed in rupiah, unless othewise stated)

Keterangan	Modal Saham / *Share Capital*	Saldo Laba / Retained Earnings		Komponen Ekuitas Lain / *Other Equity Components*	Jumlah Ekuitas / *Total Equity*	*Description*
		Dicadangkan / *Appropriated*	Belum Dicadangkan / *Unappropriated*			
Saldo Awal per 1 Januari 2014	750.000.000.000	941.919.524.322	573.142.622.925		2.265.062.147.247	*Beginning balance as of January 1, 2014*
Penyesuaian :						*Adjustment :*
Pengukuran kembali liabilitas diestimasi atas imbalan pasca kerja			(6.137.428.984)	(48.652.730.124)	(54.790.159.108)	*Remeasurement of estimated post employment benefit liabilities*
Dampak pajak atas pengukuran kembali liabilitas diestimasi imbalan pasca kerja			1.534.357.246		1.534.357.246	*Tax effect of remeasurement of estimated post employment benefit liablities*
Saldo setelah penyesuaian per 1 Januari 2014	**750.000.000.000**	**941.919.524.322**	**568.539.551.187**	**(48.652.730.124)**	**2.211.806.345.385**	***Adjusted balance as of January 1, 2014***
Pembagian laba						*Distribution of income*
Dividen			(228.987.286.878)		(228.987.286.878)	*Dividend*
Cadangan		400.727.336.047	(400.727.336.047)			*Appropriated*
Koreksi saldo laba		675.000.000	(675.000.000)		-	*Adjustment to retained earnings*
Reklasifikasi dari cadangan untuk tambahan dividen		(57.247.000.000)	57.247.000.000		-	*Additional dividends from appropriated earnings*
Kapitalisasi cadangan ke setoran modal	500.000.000.000	(500.000.000.000)	-		-	*Capitalization of appropriated earnings to share capital*
Penghasilan komprehensif lain				(21.323.297.053)	(21.323.297.053)	*Other comprehensive income*
Laba (Rugi) tahun 2014			582.193.114.121		582.193.114.121	*Profit (Loss) for the year 2014*
Saldo akhir per 31 Desember 2014	**1.250.000.000.000**	**786.074.860.369**	**577.590.042.383**	**(69.976.027.177)**	**2.543.688.875.576**	***Ending balance as of December 31, 2014***
Saldo awal per 1 Januari 2015	1.250.000.000.000	786.074.860.369	577.590.042.383	(69.976.027.177)	2.543.688.875.576	*Beginning balance as of January 1, 2015*
Pembagian laba						*Distribution of income*
Dividen			(145.015.000.000)		(145.015.000.000)	*Dividend*
Cadangan		435.058.741.834	(435.058.741.834)		-	*Appropriated*
Bina lingkungan		(4.711.557.655)			(4.711.557.655)	*Community development*
Kapitalisasi cadangan ke setoran modal	400.000.000.000	(400.000.000.000)			-	*Capitalization of appropriated earnings to share capital*
Penghasilan komprehensif lain				1.979.953.595.716	1.979.953.595.716	*Other comprehensive income*
Keuntungan belum direalisasi atas kepemilikan efek tersedia untuk dijual				(377.292.849)	(377.292.849)	*Unrealized gain on available for sale securities*
Laba (Rugi) tahun 2015			670.592.891.245		670.592.891.245	*Profit (Loss) for the year 2015*
Saldo akhir per 31 Desember 2015	**1.650.000.000.000**	**816.422.044.549**	**668.109.191.794**	**1.909.600.275.690**	**5.044.131.512.033**	***Ending balance as of December 31, 2015***

Lihat catatan atas laporan keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan secara keseluruhan

See the accompanying notes which are an intergral part of the financial statements taken as a whole

PT BIO FARMA (PERSERO)
LAPORAN ARUS KAS
Untuk Tahun-Tahun Yang Berakhir Tanggal 31 Desember 2015 dan 2014
(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

PT BIO FARMA (PERSERO)
STATEMENT OF CASHFLOWS
For the Years Ended December 31, 2015 and 2014
(Expressed in Rupiah, unless otherwise stated)

	2015	2014	
ARUS KAS DARI AKTIVITAS OPERASI			***CASHFLOWS FROM OPERATING ACTIVITIES***
Penerimaan kas dari pelanggan	2.106.477.757.097	2.108.671.544.170	*Cash received from customers*
Penerimaan pajak (restitusi)	28.875.864.464	19.528.791.388	*Tax refund*
Penerimaan bunga	37.422.478.103	35.394.883.454	*Interest receipts*
Penerimaan hibah/donasi WHO	800.000.000	4.988.917.314	*Cash received from grant/WHO's donation*
Penerimaan (Pembayaran) lainnya - bersih	(23.773.912.439)	11.672.993.296	*Other receipts (payments) - net*
Penerimaan klaim asuransi	-	106.644.572	*Cash received from insurance claims*
Pembayaran tantiem	(13.736.823.371)	(9.726.635.616)	*Payment of tantiem*
Pembayaran pajak	(326.409.408.708)	(334.487.626.174)	*Payment for taxes*
Pembayaran kas kepada pemasok dan karyawan	(1.584.190.616.971)	(1.330.310.145.264)	*Cash paid to suppliers and employees*
Kas Bersih Diperoleh Dari (Digunakan Untuk) Aktivitas Operasi	**225.465.338.176**	**505.839.367.140**	***Net Cash Provided by (Used in) Operating Activities***
ARUS KAS DARI AKTIVITAS INVESTASI			***CASHFLOWS FROM INVESTING ACTIVITIES***
Pembelian aset tetap	(535.174.882.134)	(163.149.134.027)	*Purchase of property, plant and equipment*
Penyertaan pada efek tersedia untuk dijual	-	(25.000.000.000)	*Investment in available for sale securities*
Penerimaan kas dari penyelesaian Efek tersedia untuk dijual	25.000.000.000	-	*Cash received from settlement of available for sale securities*
Pembayaran untuk aset takberwujud	(3.962.389.925)	(20.578.114.493)	*Payment for intangible assets*
Kas Bersih Diperoleh Dari (Digunakan Untuk) Aktivitas Investasi	**(514.137.272.059)**	**(208.727.248.520)**	***Net Cash Provided by (Used in) Investing Activities***
ARUS KAS DARI AKTIVITAS PENDANAAN			***CASHFLOWS FROM FINANCING ACTIVITIES***
Pembayaran dividen	(145.015.000.000)	(228.987.286.878)	*Payment of dividend*
Pembayaran Program Kemitraan dan Bina Lingkungan	(4.711.557.655)	-	*Payment for Partnership and Development Program*
Kas Bersih Diperoleh Dari (Digunakan Untuk) Aktivitas Pendanaan	**(149.726.557.655)**	**(228.987.286.878)**	***Net Cash Provided by (Used in) Financing Activities***
Kenaikan (Penurunan) Kas Bersih	**(438.398.491.538)**	**68.124.831.741**	***Net Increase (Decrease) in Cash***
Pengaruh Selisih Kurs Kas dan Setara Kas	22.620.703.832	12.341.448.103	*Effect of changes in foreign exchange rate*
Saldo kas dan setara kas pada awal tahun	971.717.046.000	891.250.766.156	*Cash and cash equivalent at the beginning of the year*
SALDO KAS DAN SETARA KAS PADA AKHIR TAHUN	**555.939.258.294**	**971.717.046.000**	***CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR***

Lihat catatan atas laporan keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan secara keseluruhan

See the accompanying notes which are an intergral part of the financial statements taken as a whole

1. UMUM

a. Pendirian Perusahaan

PT Bio Farma (Persero) ("Perusahaan"), pada awalnya bernama "Parc Vaccinogene" yang didirikan berdasarkan Surat Keputusan Gubernur Hindia Belanda No. 14 tanggal 6 Agustus 1890. Mulai tahun 1955, berdasarkan Undang-Undang Darurat No. 14 tahun 1955 Perusahaan berubah menjadi Perusahaan Negara (PN) Pasteur. Pada tahun 1961, Perusahaan berubah menjadi PN Bio Farma berdasarkan Peraturan Pemerintah No. 80 tahun 1961 Tentang Pendirian Perusahaan Negara Bio Farma. Sesuai Peraturan Pemerintah No.26 tahun 1978 tentang Pengalihan Bentuk Perusahaan Negara, status Perusahaan berubah menjadi Perusahaan Umum (Perum).

Berdasarkan Peraturan Pemerintah No. 1 tahun 1997 tentang Pengalihan Bentuk Perusahaan Umum (Perum) Bio Farma Menjadi Perusahaan Perseroan (Persero), status Perusahaan berubah menjadi Perusahaan Perseroan (Persero). Akta pendirian dan Anggaran Dasar atas perubahan bentuk Perusahaan tersebut telah dimuat dalam Akta No. 1 tanggal 3 Februari 1997, Akta No. 188 tanggal 20 Juni 1997, dan Akta No. 30 tanggal 21 Oktober 1997 yang dibuat oleh Notaris Muhani Salim, S.H., dan telah mendapat persetujuan berdasarkan Keputusan Menteri Kehakiman Republik Indonesia No. C2-1423 HT.01.01.Th.98 tanggal 5 Maret 1998 yang telah diumumkan dalam Berita Negara Republik Indonesia tanggal 16 Juli 2002 No. 57 Tambahan No. 6884. Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan dan terakhir Anggaran Dasar Perusahaan Nomor 26 tanggal 6 Juni 2014 yang dibuat oleh Notaris Fathiah Helmi, S.H., dan telah mendapat persetujuan Menteri Hukum dan Hak Asasi Manusia, berdasarkan Keputusan Nomor AHU-0104.40.20.2014 tanggal 10 Juni 2014, tentang Persetujuan Perubahan Badan Hukum Perseroan Terbatas PT Bio Farma (Persero).

b. Tujuan Kegiatan Usaha Perusahaan

Sesuai dengan Anggaran Dasar Perusahaan, tujuan Perusahaan adalah melakukan usaha di bidang penelitian, pengembangan, produksi dan pemasaran produk biologi, produk farmasi dan alat kesehatan serta optimalisasi pemanfaatan sumber daya yang dimiliki Perseroan untuk menghasilkan barang dan/atau jasa yang bermutu tinggi dan berdaya saing kuat untuk mendapatkan/mengejar keuntungan guna meningkatkan nilai Perseroan dengan menerapkan prinsip-prinsip Perseroan Terbatas.

Untuk mencapai maksud dan tujuan tersebut di atas, Perseroan dapat melaksanakan kegiatan usaha utama

a. Penelitian dan pengembangan produk biologi dan farmasi, baik yang dilakukan sendiri maupun kerjasama dengan pihak lain;
b. Produksi produk biologi dan produk farmasi, baik yang dilakukan sendiri maupun kerjasama dengan pihak lain;

1. GENERAL

a. The Company's Establishment

PT Bio Farma (Persero) ("the Company"), formerly "Parc Vaccinogene", was established based on Decree No.14 dated August 6, 1890 of the Governor of Netherlands Indies. In 1955, under Emergency Law No.14 year 1955, the legal status of the Company was changed to a state-owned company named Perusahaan Negara (PN) Pasteur. In 1961, based on the Government Regulation No.80 year 1961, the Company's name changed to PN Bio Farma. Later in 1978, based on the Government Regulation No. 26 year 1978 regarding the Transformation of the State-Owned Company (PN) Bio Farma, the Company status was changed to a Public Company (Perum).

Based on Government Regulation No. 1 year 1997 regarding the Transformation of the Public Company (Perum) Bio Farma Into a LImited Liability Corporation, the status of the Company was changed into a state-owned limited liability corporation (Persero). The Article of Association of the Company's transformation was appeared in notarial deed No.1 dated February 3, 1997, No.188 dated June 20, 1997, and No.30 dated October 21, 1997 of Muhani Salim, S.H., Notary. It has been approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-1423 HT.01.01.Th.98 dated March 5, 1998, and published in State Gazette of the Republic of Indonesia No. 57 Supplement No. 6884 dated July 16, 2002. The Company's Articles of Association has been amended several times, the most recent amendment was made through notarial deed No. 26 dated June 6, 2014 of Fathiah Helmi, S.H., Notary, and has been approved by the Minister of Law and Human Rights in his Decision Letter No. AHU-0104.40.20.2014 date June 10, 2014, regarding the Approval of Amendment of the State-Owned Limited Liability Corporation of PT Bio Farma (Persero).

b. The Company's Objective

According to the Company's Articles of Association, the Company's objectives are to make the efforts in research, development, production, and marketing of biological products, pharmaceutical products, and medical equipments, and optimalization of the Company's resources to produce high quality and strong competitive products and services to seek profits that enhance the Company's value by applying the principles of the Limited Liability Corporation.

To achieve the objectives mentioned above, the Company performs major activities as follows:

a Research and development of biological and pharmaceutical products, both performed by the Company itself and by cooperation with other parties;
b Production of biological and pharmaceutical products, both from the Company's own production and from cooperation with other parties;

1. UMUM (lanjutan)

b. Tujuan Kegiatan Usaha Perusahaan (lanjutan)

c. Pemasaran, perdagangan dan distribusi produk biologi, farmasi, alat kesehatan, termasuk barang umum, baik di dalam maupun di luar negeri;

d. Pelayanan Laboratorium Kesehatan dan Klinik;
e. Berusaha di bidang jasa yang ada hubungannya dengan yang tertera pada huruf a,b, c, dan d.

Sifat usaha Perusahaan adalah melayani kebutuhan pasar domestik dan global, sebagai berikut :

a. Pasar Pemerintah, yaitu melayani kebutuhan Pemerintah untuk program imunisasi dasar/reguler yaitu Vaksin BCG, DT, TT, Polio, Campak, Hepatitis B, Td dan Vaksin DTP-HB-Hib.
b. Pasar swasta nasional, yaitu melayani para distributor dalam negeri untuk memenuhi kebutuhan vaksin diluar program imunisasi rutin Pemerintah yaitu vaksin BCG, BioTd, BioTT, FluBio, Campak, Polio, Hepatitis B, PentaBio, anti sera (BioSAT, BioADS, BioSAVE, ABU II (Australia), PPD 2 TU.
c. Pasar internasional, terutama untuk melayani kebutuhan UNICEF dan institusi lain yang telah melakukan kerjasama bilateral. Vaksin yang digunakan merupakan vaksin yang telah memenuhi prakualifikasi WHO baik dalam bentuk produk jadi maupun bulk, yaitu vaksin TT, Td, BioTT, DTP, Polio, Campak, Pentabio, *bulk* Polio, *bulk* Difteri, *bulk* Pertusis, dan *bulk* Tetanus.

c. Dewan Komisaris, Direksi, Komite-Komite dan Karyawan

Susunan Dewan Komisaris, Direksi dan Komite Perusahaan pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

		31 Desember 2015/*December 31, 2015*	31 Desember 2014/*December 31, 2015*	
Dewan Komisaris				***Board of Commissioners***
Komisaris Utama [1]	:	Prof. DR. Ahmad Ramli, SH, MH	Prof. DR. Ahmad Ramli, SH, MH	*President Commissioner [1]*
Komisaris [2]	:	Drs. Paruli Lubis, MBA	Drs. Paruli Lubis, MBA	*Commissioner [2]*
Komisaris [5]	:	Dr. H. Mohamad Subuh	Herman Ladjidja Djuni, ST	*Commissioner [5]*
Komisaris [3]	:	dr. Nizar Yamani, Sp.S (K)	dr. Nizar Yamani, Sp.S (K)	*Commissioner [3]*
Komisaris [4]	:	Ihsan Setiadi Latief, M.Si	Ihsan Setiadi Latief, M.Si	*Commissioner [4]*
Komisaris [1]	:	dr. Heridadi, M.Sc	dr. Heridadi, M.Sc	*Commissioner [1]*
Komisaris Independen [5]				***Independent Commissioners [5]***
	:	Drs. Paruli Lubis, MBA	-	
	:	dr. Heridadi, M.Sc	-	
Direksi [6]				***Board of Directors [6]***
Direktur Utama	:	Drs. Iskandar, Apt. MM	Drs. Iskandar, Apt. MM	*President Director*
Direktur Pemasaran	:	Drs. Mahendra Suhardono, Apt, MM	Drs. Mahendra Suhardono, Apt, MM	*Director of Marketing*
Direktur Produksi	:	Drs. Juliman, MM	Drs. Juliman, MM	*Director of Production*
Direktur Keuangan	:	Drs. Pramusti Indrascaryo, MM	Drs. Pramusti Indrascaryo, MM	*Director of Finance*
Direktur Perencanaan dan Pengembangan	:	Drh.Sugeng Raharso, MM	Drh.Sugeng Raharso, MM	*Director of Planning and Development*
Direktur Sumber Daya Manusia	:	Drs. Andjang Kusumah, MM	Drs. Andjang Kusumah, MM	*Director of Human Resource Development*

1. GENERAL (continued)

b. The Company's Objective (continued)

c Marketing, trading and distribution of biological and pharmaceutical products and medical equipments including general products, for domestics and international markets;
d. Health care laboratory and clinic services;
e Providing services related to a, b, c,and d activities.

The nature of the Company is to serve domestic and global market needs as follows:

a *Government market, provides the Government with BCG, DPT, DT, TT, polio, measles, hepatitis B, Td vaccines for basic/regular immunization programs, and with DTP-HB-Hib.*
b *National private market, provides domestic distributors with BCG, BioTd, BioTT, FluBio, Measles, Polio, Hepatitis B, Pentabio, anti-sera (BioSAT, BioADS, BioSAVE, ABU II (Australia) and PPD2TU vaccines for non-regular Government immunization programs.*

c *International markets, provides particularly the need of UNICEF and other parties who have bilateral cooperation with the Company, with TT, Td, BioTT, DTP, Polio, Measles, Pentabio, Polio bulk, Diphtheria bulk, Pertusis bulk, and Tetanus bulk vaccines. The vaccines are those that meet the pre-qualification of the WHO, both in finished products and bulk.*

c. Boards of Commissioners, Directors, Committees, and Employees

The Company's Board of Commissioners, Directors and Commitees as of December 31, 2015 and 2014 are as follows:

1. UMUM (lanjutan)

c. Dewan Komisaris, Direksi, Komite-Komite dan Karyawan (lanjutan)

Komite Audit [9)]

Ketua	:	Drs. Paruli Lubis, MBA
Wakil Ketua	:	Ihsan Setiadi Latief, M.Si
Anggota	:	Drs.Abu Bakar Ak, CA
Anggota [8)]	:	Drs.Asawir Harahap Ak, CA

Komite Pengembangan, Risiko dan GCG [9)]

Ketua	:	dr. Heridadi, M.Sc
Wakil Ketua I	:	dr. Nizar Yamani, Sp.S (K)
Wakil Ketua II		Dr. H. Mohamad Subuh
Anggota	:	Dadang Epi Sukarsa, SH., MH
Anggota	:	Afrizal, SE.Msi.Ak

1) Berdasarkan Keputusan Menteri BUMN No.SK-17/MBU/2014 tanggal 23 Januari 2014.
2) Berdasarkan Keputusan Menteri BUMN No. KEP 392/MBU/ 2012, tanggal 5 November 2012
3) Berdasarkan Keputusan Menteri BUMN No. SK-204/MBU/ 2012 tanggal 28 Mei 2012.
4) Berdasarkan Keputusan Menteri BUMN No. SK 235/MBU/ 2013 tanggal 1 Mei 2013.
5) Berdasarkan Keputusan Menteri BUMN No.SK-97/MBU/2015 tanggal 22 Juni 2015.
6) Berdasarkan Keputusan Menteri BUMN No.SK-221/MBU/ 2013 tanggal 12 April 2013.
7) Berdasarkan Keputusan Menteri BUMN No. SK 116/MBU/ 2012 tanggal 7 Maret 2012.
8) Berdasarkan Keputusan Dewan Komisaris No. KEP-15/DK/ BF/VII/ 2014, tanggal 1 Juli 2014.
9) Berdasarkan Keputusan Dewan Komisaris No. KEP-02/DK/ BF/VII/ 2015, tanggal 9 Juli 2015.

Susunan Direksi Perusahaan terakhir berdasarkan Akta Nomor 86 tanggal 26 April 2013 yang dibuat oleh Notaris Fathiah Helmi, S.H., dan telah diterima dan dicatat di dalam database Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia Nomor AHU-AH.01.10-17236 tanggal 3 Mei 2013 perihal Penerimaan Pemberitahuan Perubahan Data Perseroan PT Bio Farma (Persero).

Susunan Dewan Komisaris Perusahaan terakhir berdasarkan Akta Nomor 12 tanggal 9 Juli 2015 yang dibuat oleh Notaris Fathiah Helmi, S.H., dan telah diterima dan dicatat di dalam database Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan surat Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia Nomor AHU-AH.01.03-0949789 tanggal 9 Juli 2015 perihal Penerimaan Pemberitahuan Perubahan Data Perseroan PT Bio Farma (Persero).

Pada 31 Desember 2015 dan 2014, Perusahaan memiliki karyawan masing-masing 1127 dan 1029 karyawan (tidak diaudit).

1. GENERAL (continued)

c. Boards of Commissioners, Directors, Committees, and Employees (continued)

Audit Committee [9)]

Drs. Paruli Lubis, MBA	*Chairman*
Herman Ladjidja Djuni, ST	*Vice Chairman*
Drs.Abu Bakar Ak, CA	*Member*
Drs.Asawir Harahap Ak, CA	*Member* [8)]

Committee of Development, Risk, and GCG [9)]

dr. Heridadi, M.Sc	*Chairman*
dr. Nizar Yamani, Sp.S (K)	*Vice Chairman*
Ihsan Setiadi Latief, M.Si	*Vice Chairman II*
Dadang Epi Sukarsa, SH., MH	*Member*
Afrizal, SE.Msi.Ak	*Member*

1) *Based on Decision Letter of the Minister of State-Owned Enterprises No.SK-17/MBU/2014 dated January 23, 2014.*
2) *Based on Decision Letter of the Minister of State-Owned Enterprises No.KEP- 392/MBU/2012 dated November 5, 2012.*
3) *Based on Decision Letter of the Minister of State-Owned Enterprises No. SK 204/MBU/2012 dated May 28, 2012.*
4) *Based on Decision Letter of the Minister of State-Owned Enterprises No. SK 235/MBU/2013 dated Mei 1, 2013.*
5) *Based on Decision Letter of the Minister of State-Owned Enterprises No. SK 97/MBU/2015 dated June 22, 2015.*
6) *Based on Decision Letter of the Minister of State-Owned Enterprises No. SK 221/MBU/2013 dated April 12, 2013.*
7) *Based on Decision Letter of the Minister of State-Owned Enterprises No. SK 116/MBU/2013 dated March 7, 2012.*
8) *Based on Decision Letter of the Board of Commissioners No. KEP-15/DK/BF/VII/2014 dated July 1, 2014.*
9) *Based on Decision Letter of the Board of Commissioners No. KEP-02/DK/BF/VII/2015 dated July 9, 2015.*

The last Company's Board of Directors is based on Notary Deed No. 86 dated April 26, 2013 of Fathiah Helmi, SH, Notary, and has been accepted and recorded in database system of Legal Entity Administration at the Ministry of Justice and Human Rights of the Republic of Indonesia, according to letter of the Ministry of Justice and Human Rights of the Republic Indonesia No. AHU-AH.01.10-17236 dated May 3, 2013 regarding the Notification of Data Change of PT Bio Farma (Persero).

The last Company's Board of Commissioners is based on Notary Deed Number 12, dated July 9, 2015 of Fathiah Helmi, SH, Notary, and has been accepted and recorded in database system of Legal Entity Administration of the Ministry of Justice and Human Rights of the Republic of Indonesia according to letter of the Ministry of Justice and Human Rights of the Republic of Indonesia Number AHU-AH.01.03-0949789 dated July 9, 2015, regarding the Notification of Data Change of PT Bio Farma (Persero).

As of December 31, 2015 and 2014 the Company had 1127 and 1029 employees (unaudited), respectively.

1. UMUM (Lanjutan)

d. Remunerasi Dewan Komisaris dan Direksi

Perincian gaji dan tunjangan untuk Dewan Komisaris dan Direksi Perusahaan tahun 2015 dan 2014, adalah sebagai berikut:

	2015	2014	
Dewan Komisaris	13.244.952.004	10.060.821.834	*Board of Commissioners*
Direksi	33.083.093.971	27.609.955.163	*Directors*
Jumlah	**46.328.045.975**	**37.670.776.997**	***Total***

1. GENERAL (continued)

d. Remuneration of Board of Commissioners and Directors

The details of salaries and allowances of the Board of Commissioners and Directors of the Company for 2015 and 2014 are as follows:

2. IKHTISAR KEBIJAKAN AKUNTANSI

a. Pernyataan Kepatuhan

Laporan keuangan PT Bio Farma (Persero) untuk tahun yang berakhir 31 Desember 2015 dan 2014 telah disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia dan telah memenuhi semua persyaratannya.

b. Dasar Penyusunan Laporan Keuangan

Laporan keuangan disusun berdasarkan konsep biaya perolehan, kecuali beberapa akun tertentu menggunakan dasar pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut. Laporan keuangan disusun dengan menggunakan metode akrual, kecuali untuk laporan arus kas.

Laporan arus kas disusun menggunakan metode langsung dengan mengelompokkan arus kas ke dalam aktivitas operasi, investasi dan pendanaan.

c. Perubahan Kebijakan Akuntansi dan Penyajian Kembali Laporan Keuangan

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK IAI) telah menerbitkan beberapa Pernyataan Standar Akuntansi Keuangan (PSAK) baru maupun revisi yang berlaku efektif sejak atau setelah tanggal 1 Januari 2015.

PSAK-PSAK yang dipandang relevan dan berdampak signifikan terhadap dengan laporan keuangan PT Bio Farma (Persero) adalah :

1. PSAK 1 (2013) "Penyajian Laporan Keuangan".
   Perubahan penyajian laporan keuangan meliputi:
   - Perubahan terminologi "Laporan Laba Rugi Komprehensif" menjadi "Laporan Laba Rugi dan Penghasilan Komprehensif Lain".
   - Pengklasifikasian pos penghasilan komprehensif lain kedalam 2 bagian yaitu "penghasilan komprehensif lain yang akan direklasifikasi ke laba rugi" dan "penghasilan komprehensif lain yang tidak akan direklasifikasi ke laba rugi".
2. PSAK 24 (2013) "Imbalan Kerja".
   Perubahan beberapa ketentuan terkait dengan akuntansi imbalan pasca kerja yang berdampak pada laporan keuangan dan bersifat retrospektif meliputi :
   - Biaya jasa lalu diakui sebagai beban pada tanggal yang lebih awal antara ketika amandemen atau kurtailmen program terjadi, atau ketika entitas mengakui biaya restrukturisasi terkait atau

2. SUMMARY OF ACCOUNTING POLICIES

a. Statement of Compliance

The financial statements of PT Bio Farma (Persero) for the year ended December 31, 2015 and 2014 have been prepared in accordance with Financial Accounting Standards in Indonesia and have met all its requirements .

Basis for Preparation of the Finacial Statements

The financial statements have been prepared under the historical cost method, except for several accounts which use other measurement basis as explained in the accounting policies applied for those accounts. The financial statements, except for statement of cash flows, are prepared under the accrual basis of accounting.

Statement of cash flows is prepared using the direct method by classifying cash flows into operating, investing and financing activities.

c. Changes to Accounting Policies and Restatement of Financial Statements

The Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI) has issued new and revised Statement of Financial Accounting Standards (PSAKs) that be in effect beginning on or after January 1, 2015.

The followings are the PSAKs that were considered relevant to and have significant impact on the Company's financial statements :

1. PSAK 1 (2013) "Presentation of Financial Statements".
   Change in financial statements presentation include:
   - *Change the title of "Statement of Comprehensive Income" to "Statement of Profit or Loss and Other Comprehensive Income".*
   - *Items in Other Comprehensive Income section are classified into "other comprehensive income that will reclassified to profit or loss" and "other comprehensive income that will not reclassified to profit or loss".*

2. PSAK 24 (2013) "Employee Benefits"
   Change several requirements related to accounting for post-retirement benefits that have impact on the financial statements and applied retrospectively, include:
   - *Past service costs are recognized at the earlier of when the amandmend or curtailment occurs or when the entity recognizes the related restructurization or*

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

c. Perubahan Kebijakan Akuntansi dan Penyajian Kembali Laporan Keuangan (lanjutan)

biaya pesangon. Dengan ketentuan ini maka Perusahaan tidak lagi dapat menangguhkan dan mengamortisasi biaya jasa lalu yang belum vested;

- Perubahan konsep beban bunga menjadi bunga neto yang ditentukan dengan mengalikan liabilitas (aset) imbalan pasti neto dengan tingkat diskonto yang mengacu pada imbal hasil pasar atas bunga obligasi korporasi berkualitas tinggi pada akhir periode pelaporan; dan
- Keuntungan dan kerugian aktuarial diakui sebagai penghasilan komprehensif lain.

Sehubungan dengan penerapan PSAK 24 (Revisi 2013), Perusahaan telah menyajikan kembali laporan keuangan tahun 2014 sesuai dengan ketentuan PSAK 25 "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi, dan Kesalahan" sebagai berikut :

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Changes to Accounting Policies and Restatement of Financial Statements (continued)

termination costs. Under this requirement, the Company may no longer defer and amortize unvested past service costs.

- *The change of the interest cost concept to be a net interest amount that determined by multiplying the defined benefit liability (asset) by a discount rate using market rate of return of high quality corporate bond interests at the end of reporting period, and*
- *Actuarial gains and losses are recognized as other comprehensive income.*

As the implementation of the PSAK 24 (Revise 2013), the Company restated the financial statements of 2014 in accordance with the requirements of PSAK 25 "Accounting Policies, Changes in Accounting Estimates, and Errors" as follows :

	1 Januari 2014/*January 1, 2014*			
	Sebelum Penyajian Kembali ***Before Restatement***	**Penyesuaian** ***Adjustments***	**Setelah Penyajian Kembali** ***After Restatement***	
Laporan Posisi Keuangan				*Statement of Financial Position*
Aset Pajak Tangguhan - bersih	12.912.599.379	1.534.357.246	14.446.956.625	*Deffered Assets - net*
Liabilitas Diestimasi atas Imbalan Pasca Kerja	48.370.659.217	54.790.159.108	103.160.818.325	*Estimated Employee Benefit Liabilities*
Ekuitas				*Equity*
Komponen Ekuitas Lainnya	-	(48.652.730.124)	(48.652.730.124)	*Other Equity Components*

	31 Desember 2014/December 31, 2014			
	Sebelum Penyajian Kembali ***Before Restatement***	**Penyesuaian** ***Adjustments***	**Setelah Penyajian Kembali** ***After Restatement***	
Laporan Posisi Keuangan				*Statement of Financial Position*
Aset Pajak Tangguhan - bersih	17.046.156.404	827.899.817	17.874.056.221	*Deffered Assets - net*
Liabilitas Diestimasi atas Imbalan Pasca Kerja	62.703.190.571	73.664.919.294	136.368.109.865	*Estimated Employee Benefit Liabilities*
Ekuitas				*Equity*
Komponen Ekuitas Lainnya	-	(69.976.027.177)	(69.976.027.177)	*Other Equity Components*
Laba Rugi dan Penghasilan Komprehensif Lain :				*Profit or Loss and Other Comprehensive Income*
Beban Administrasi dan Umum	(351.444.793.294)	2.434.664.830	(349.010.128.464)	*General and Administration*
Beban Penjualan				*Selling Expense*
Beban Tangguhan	4.133.557.025	(706.457.429)	3.427.099.596	*Deferred Expense*
Laba (Rugi) Bersih	580.073.741.835	2.119.372.286	582.193.114.121	*Profit or Loss - Net*
Penghasilan Komprehensif Lain				*Other Comprehensive Income*
Pengukuran kembali liabilitas diestimasi atas imbalan pasca kerja	-	(828.225.876)	(828.225.876)	*Remeasurement of estimated estimated postretirement benefit liabilities*

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

c. Perubahan Kebijakan Akuntansi dan Penyajian Kembali Laporan Keuangan (lanjutan)

Reklasifikasi Beban

Untuk memberikan informasi yang lebih tepat pada tahun 2015, Perusahaan mengalokasikan beban-beban berikut ini yang sebelumnya disajikan pada kelompok beban administrasi dan umum ke beban penjualan. Sehubungan dengan hal tersebut beban administrasi dan umum dan beban penjualan untuk tahun yang berakhir tanggal 31 Desember 2014 disajikan kembali.

Berikut ini disajikan perbandingan angka beban-beban administrasi dan umum dan beban penjualan sebelum dan setelah penyajian kembali :

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Changes to Accounting Policies and Restatement of Financial Statements (continued)

Reclassification of Expense Accounts

In 2015, the Company allocated the following expenses accounts which were presented in general and administration and selling expenses for providing more appropriate information. Therefore, the general and administration and selling expenses for the year ended December 31, 2014 were restated.

The followings are presented the comparative amounts of general and administration and selling expenses before and after restated :

	31 Desember 2014/*December 31, 2014*			
	Sebelum Penyajian Kembali ***Before Restatement***	**Penyesuaian** ***Adjustments***	**Setelah Penyajian Kembali** ***After Restatement***	
Beban Administrasi dan Umum				***General and Administration Expenses***
Karyawan	207.334.353.634	(20.805.344.402)	186.529.009.232	*Employees*
Beban Kantor	36.010.265.385	(5.029.475.629)	30.980.789.756	*Office expenses*
Pemeliharaan dan Perbaikan	29.377.750.248	(297.426.225)	29.080.324.024	*Repair and Maintenance*
Sosial Karyawan	13.076.837.761	(510.848.019)	12.565.989.742	*Employee Social*
Penyusutan Aset Tetap	13.594.559.195	(546.885.021)	13.047.674.175	*Depreciation of Fixed Assets*
Peningkatan dan Pengembangan SDM	12.885.533.823	(356.593.208)	12.528.940.615	*Human Resource Development*
Perjalanan Dinas	6.113.251.087	(1.114.764.784)	4.998.486.303	*Business Travelling*
Jasa Profesional	3.669.884.233	(767.815.600)	2.902.068.633	*Professional Services*
Asuransi	85.517.965	(8.840.842)	76.677.123	*Insurances*
Beban Penjualan				***Selling Expenses***
Karyawan	-	18.490.362.707	18.490.362.707	*Employees*
Perjalanan Dinas	-	1.114.764.784	1.114.764.784	*Business Travelling*
Jasa Profesional	-	767.815.600	767.815.600	*Professional Services*
Pemeliharaan dan Perbaikan	-	297.426.225	297.426.225	*Repair and Maintenance*
Asuransi	-	8.840.842	8.840.842	*Insurances*
Penyusutan Aset Tetap	-	546.885.021	546.885.021	*Depreciation of Fixed Assets*
Beban Kantor	-	5.029.475.629	5.029.475.629	*Office expenses*
Peningkatan dan Pengembangan SDM	-	356.593.208	356.593.208	*Human Resource Development*

d. PSAK Yang Akan Berlaku Efektif Tahun 2016 dan 2017

Pada tahun 2015 DSAK IAI telah mengesahkan beberapa PSAK/ISAK baru, revisi, amandemen maupun penyesuaian yang akan berlaku efektif pada 1 Januari 2016 dan 1 Januari 2017, yaitu sebagai berikut :

- Amandemen PSAK 1 "Penyajian Laporan Keuangan tentang Prakarsa Pengungkapan".
- Amandemen PSAK 4 "Laporan Keuangan Tersendiri tentang Metode Ekuitas Dalam Laporan Keuangan Tersendiri".
- Amandemen PSAK 15 "Investasi Pada Entitas Asosiasi dan Ventura Bersama tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi".
- Amandemen PSAK 16 "Aset Tetap tentang Klarifikasi Metode Yang Diterima Untuk Penyusutan dan Amortisasi".

d. PSAKs That Will Be Effective in 2016 and 2017

In 2015, the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI) issued the following new, revises, amendments and improvements of PSAKs that will be effective beginning on or after January 1, 2016 and January 1, 2017 :

- *Amendment PSAK 1 "Persentation of Financial Reporting regarding the Disclocure Initiative".*
- *Amendment PSAK 4 "Separate Financial Statements regarding the Equity Method in Separate Financial Statements".*
- *Amendment PSAK 15 "Investment in Assocoates and Joint Ventures regarding the Investment Entities: Aplication of the Consolidation Exception".*
- *Amendment PSAK 16 "Property, Plant, and Equipment regarding the Clarification of the Acceptable Methods of Depreciation and Amortization".*

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

d. PSAK Yang Akan Berlaku Efektif Tahun 2016 dan 2017

- Amandemen PSAK 19 "Aset Takberwujud tentang Metode Yang Diterima Untuk Penyusutan dan Amortisasi".
- Amandemen PSAK 24 "Imbalan Kerja tentang Program Iuran Pasti : Iuran Pekerja".
- Amandemen PSAK 65 "Laporan Keuangan Konsolidasian tentang Entitas Investasi : Penerapan Pengecualian Konsolidasi".
- Amandemen PSAK 66 "Pengaturan Bersama tentang Akuntansi Akuisisi Kepentingan dalam Operasi Bersama".
- Amandemen PSAK 67 "Pengungkapan Kepentingan Dalam Entitas Lain tentang Entitas Investasi : Penerapan Pengecualian Konsolidasi".
- PSAK 5 (Penyesuaian 2015) "Segmen Operasi".
- PSAK 7 (Penyesuaian 2015) "Pengungkapan Pihak-Pihak Berelasi".
- PSAK 13 (Penyesuaian 2015) "Properti Investasi".
- PSAK 16 (Penyesuaian 2015) " Aset Tetap".
- PSAK 19 (Penyesuaian 2015) "Aset Takberwujud".
- PSAK 22 (Penyesuaian 2015) "Kombinasi Bisnis".
- PSAK 25 (Penyesuaian 2015) "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan".
- PSAK 53 (Penyesuaian 2015) "Pembayaran Berbasis Saham".
- PSAK 68 (Penyesuaian 2015) "Pengukuran Nilai Wajar".
- ISAK 30 "Pungutan".
- ISAK 31 "Interpretasi atas Ruang Lingkup PSAK 13 : Properti Investasi".

Perusahaan sedang mengevaluasi penerapan standar-standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan.

e. Penentuan Tingkat Materialitas Suatu Pos

Berdasarkan SM-S15 Pedoman Akuntansi Keuangan sebagai ukuran objektif, suatu akun dinyatakan material dan karenanya harus disajikan tersendiri di dalam laporan keuangan jika:

- 5 % dari jumlah seluruh aset untuk akun-akun aset;
- 5 % dari jumlah seluruh kewajiban untuk akun-akun kewajiban;
- 5 % dari jumlah seluruh ekuitas untuk akun-akun ekuitas;
- 10 % dari pendapatan untuk akun-akun laba rugi; dan
- 10 % dari laba sebelum pajak untuk pengaruh suatu peristiwa atau transaksi.

f. Transaksi dan Saldo dalam Mata Uang Asing

Mata uang pelaporan yang digunakan dalam penyusunan laporan keuangan ini adalah Rupiah. Transaksi dalam mata uang asing dijabarkan dalam mata uang Rupiah dengan menggunakan kurs pada tanggal transaksi.

Keuntungan atau kerugian yang timbul dari penjabaran aset dan liabilitas keuangan dalam mata uang asing diakui dalam laporan laba rugi dan penghasilan komprehensif lainnya tahun berjalan.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

d. PSAKs That Will Be Effective in 2016 and 2017

- *Amendment PSAK 19 "Intangible Assets regarding the Clarification of the Acceptable Methods of Depreciation and Amortization".*
- *Amendment PSAK 24 "Employee Benefits regarding the Contribution Benefit Plans: Contribution from Employees".*
- *Amendment PSAK 65 "Consolidateed Financial Statements regarding the Investment Entities: Aplication of the Consolidation Exception".*
- *Amendment PSAK 66 "Joint Arrangements regarding the Accounting for Acquisitions of an Interest in a Joint Operation".*
- *Amendment PSAK 67 "Disclosure of Interests in Other Entities regarding the Investment Entities: Apllication of Consolodated Exception".*
- *PSAK 5 (Improvement 2015) "Operating Segments"*
  PSAK 7 (Improvement 2015) "Disclosures of Related Parties".
- *PSAK 13 (Improvement 2015) "Investment Property."*
- *PSAK 16 (Improvement 2015) "Property, Plant and Equipment".*
- *PSAK 19 (Improvement 2015) "Intangible Assets."*
- *PSAK 22 (Improvement 2015) "Business Combinations".*
- *PSAK 25 (Improvement 2015) "Accounting Policies, Changes in Acconting Estimates, and Errors".*
- *PSAK 53 (Improvement 2015) "Share-based Payment".*
- *PSAK 68 (Improvement 2015) "Fair Value Measurement".*
- *ISAK 30 "Levies".*
- *ISAK 31 "Interpretation of the scope of PSAK 13 Investment Property".*

The Company is still evaluating the implementation of these standards and has not yet determined the impacts on the Company's financial statements.

e. Determination of Materiality Level

Based on SM-S15 Financial Accounting Guide as the objective measurement, an account is considered material and, therefore, is presented separately in the financial statements if :

- *5% of total assets for asset accounts;*
- *5% of total liabilities for liability accounts:*
- *5% of total equity for equity accounts;*
- *10% of revenues for profit and loss accounts; and*
- *10% of income before taxes for the effect of an event or transaction.*

f. Foreign Currency Transactions and Balances

The reporting currency used in the preparation of these financial statements is Rupiah. Transactions involving foreign currencies are translated to Rupiah at the rates of exchange prevailing at the transaction date.

Gains or losses arising from transactions of monetary assets and liabilities denominated in foreign exchenge currencies are presented in the current year's statement of comprehensive income.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

g. Aset dan Liabilitas Keuangan
Aset Keuangan

Aset keuangan dikelompokkan menjadi 4 kategori, yaitu (i) aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, (ii) pinjaman yang diberikan dan piutang, (iii) investasi yang dimiliki hingga jatuh tempo serta (iv) aset keuangan yang tersedia untuk dijual. Klasifikasi ini tergantung dari tujuan perolehan aset keuangan tersebut pada saat awal pengakuannya.

(i) Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi

Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi adalah aset keuangan yang ditujukan untuk diperdagangkan. Aset keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat dan terdapat bukti mengenai pola ambil untung dalam jangka pendek. Keuntungan/kerugian yang timbul dari perubahan nilai wajar diakui dalam laporan laba rugi. Derivatif diklasifikasikan sebagai aset diperdagangkan kecuali telah ditetapkan dan efektif sebagai instrumen lindung nilai.

Pada 31 Desember 2015, tidak ada aset keuangan Perusahaan yang diklasifikasikan sebagai aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

(ii) Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif.

Pada saat pengakuan awal, pinjaman yang diberikan dan piutang diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif.

Penyisihan piutang ragu-ragu dibentuk berdasarkan evaluasi manajemen terhadap tingkat ketertagihan saldo piutang. Pencatatan atas penyisihan piutang ragu-ragu dilakukan pada setiap triwulan. Piutang dihapuskan dalam periode ketika piutang tersebut dipastikan tidak dapat tertagih.

Pada tanggal 31 Desember 2015, aset keuangan Perusahaan yang diklasifikasikan sebagai pinjaman yang diberikan dan piutang terdiri dari Kas dan Setara Kas, Piutang Usaha dan Piutang Lain-Lain.

(iii) Investasi yang dimiliki hingga jatuh tempo

Investasi yang dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, dimana Perusahaan mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo, selain:

2. SUMMARY OF ACCOUNTING POLICIES (continued)

g. Financial Assets and Liabilities
Financial Assets

Financial assets are classified into 4 categories: (i) financial assets measured at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity financial assets, and (iv) available-for-sale financial assets.This classification depends on the purpose of acquisition of the financial assets at initial recognition.

(i) Financial assets measured at fair value through statement of profit or loss

Financial assets measured at fair value through statement of profit or loss are financial assets which are held for trading. A financial asset is classified as trading if it obtained particularly for the purpose of selling or repurchasing it in the near term, and for which there is evidence of recent actual pattern of short-term profit taking. Gains or Losses arising from changes in fair value are recognized in the statement of profit or loss. Derivatives are also categorized as held-for-trading, unless they are designated and effective as hedging instruments.

As of December 31, 2015, the Company has no financial asset classified as financial assets measured at fair value through profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially recognized at fair value plus transaction costs, and subsequently measured at amortized cost using the effective interest method.

Provision for impairment of receivables is determined based on management's estimate to collected level of the receivable balances. This provision is recorded on a quarterly basis. Receivables are written off in the period when they are determined to be uncollectable.

As of December 31, 2015, the Company's financial assets that are classified as loans and receivables consist of cash and cash equivalent, accounts receivables, and other receivables.

(iii) Held-to-maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Company's management has positive intention and ability to hold to maturity, other than:

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

g. Aset dan Liabilitas Keuangan (lanjutan)

Aset Keuangan (lanjutan)

(a) Investasi yang pada saat pengakuan awal ditetapkan sebagai aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi;
(b) Investasi yang ditetapkan dalam kelompok tersedia untuk dijual; dan
(c) Investasi yang memenuhi definisi pinjaman yang diberikan dan piutang.

Pada saat pengakuan awal, investasi dimiliki hingga jatuh tempo diakui pada nilai wajarnya ditambah biaya transaksi, dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Pada 31 Desember 2015, tidak ada aset keuangan Perusahaan yang diklasifikasikan sebagai investasi dimiliki hingga jatuh tempo.

(iv) Aset keuangan tersedia untuk dijual

Aset keuangan tersedia untuk dijual adalah aset keuangan non-derivatif yang ditetapkan untuk dimiliki selama periode yang tidak ditentukan, dimana akan dijual dalam rangka pemenuhan likuiditas, atau perubahan suku bunga, valuta asing, atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan dan piutang, investasi yang diklasifikasikan sebagai dimiliki hingga jatuh tempo atau aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

Pada saat pengakuan awal, aset keuangan tersedia untuk dijual diakui pada nilai wajarnya ditambah biaya transaksi, dan selanjutnya diukur pada nilai wajarnya.

Keuntungan atau kerugian yang belum direalisasi dari perubahan nilai wajar diakui sebagai pendapatan (beban) komprehensif lain dan disajikan tersendiri pada bagian ekuitas hingga terealisasi, kecuali untuk kerugian penurunan nilai dibawah nilai perolehan yang bersifat non-temporer dan keuntungan atau kerugian yang timbul dari perubahan nilai tukar.

Pada 31 Desember 2015, tidak ada aset keuangan Perusahaan yang diklasifikasikan sebagai aset keuangan tersedia untuk dijual.

Liabilitas Keuangan

Liabilitas keuangan dikelompokkan ke dalam kategori :

(i) Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi adalah liabilitas keuangan yang ditujukan untuk diperdagangkan. Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat dan terdapat bukti mengenai pola ambil untung dalam jangka pendek. Derivatif diklasifikasikan sebagai liabilitas diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

g. Financial Assets and Liabilities (continued)

Financial Assets (continued)

(a) investments which are designated as financial assets measured at fair value through profit or loss at initial recognition;
(b) investments that are designated as available for sale category; and
(c) *investments that meet the definition of loans and receivables.*

At the time of initial recognition, held-to-maturity investments are recognized at fair value plus transaction costs, and subsequently measured at amortized cost using the effective interest method.

As of December 31, 2015, the Company has no financial asset classified as held-to-maturity.

(iv) Available for sale

Available-for-sale financial assets are non-derivative financial assets that are intended to be held for indefinite period of time, which might be sold in response to liquidity needs or changes in interest rates or foreign exchanges, or which are not classified as loans or receivables, investments that are classified as held to maturity, or financial assets that measured at fair value through profit or loss.

At initial recognition, available for sale of financial assets are recognized at fair value plus transaction costs, and subsequently measured at fair value.

Gains or losses arising from changes in fair value are recognized as other comprehensive income (expense) and presented separately as part of equity until realized, except for impairment losses below the acquisition cost of a non-temporary and gains or losses arising from changes in exchange rate.

As of December 2015, the Company has no financial asset classified as available for sale.

Financial Liabilities

Financial liabilities are classified in categories of :

(i) Financial liabilities measured at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified as held for trading if acquired particularly for the purpose of selling or repurchasing in the near future and there is evidence of a pattern of short-term profit taking. Derivatives are classified as liabilities for trading unless they are designated and effective as hedging instruments.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)
g. Aset dan Liabilitas Keuangan (lanjutan)

Pada tahun 2015 dan 2014 Perusahaan tidak memiliki liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

(ii) Liabilitas keuangan diukur dengan biaya perolehan diamortisasi.
Liabilitas keuangan yang tidak diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi dikategorikan dan diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Pada tahun 2015 dan 2014, Perusahaan mempunyai utang usaha, biaya masih harus dibayar, dan liabilitas lancar lainnya yang diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

Estimasi Nilai Wajar
Nilai wajar instrumen keuangan yang diperdagangkan di pasar aktif ditentukan berdasarkan harga pasar kuotasian (*quoted price*) pada tanggal pelaporan.

Untuk instrumen keuangan yang tidak diperdagangkan dalam pasar aktif, nilai wajarnya ditentukan dengan menggunakan teknik penilaian tertentu yang meliputi transaksi pasar wajar terkini, referensi nilai wajar instrumen keuangan lainnya yang serupa dan analisis arus kas diskonto atau model penilaian lainnya.

Penghentian Pengakuan
Penghentian pengakuan aset keuangan dilakukan ketika hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir, atau ketika aset keuangan tersebut telah ditransfer dan secara substansial seluruh risiko dan manfaat atas kepemilikan aset tersebut telah ditransfer. Jika secara substansial seluruh risiko dan manfaat tidak ditransfer, maka Perusahaan melakukan evaluasi untuk memastikan keterlibatan berkelanjutan atas kendali yang masih dimiliki tidak mencegah penghentian pengakuan. Liabilitas keuangan dihentikan pengakuannya ketika dilepaskan atau dibatalkan atau kadaluwarsa.

Penurunan Nilai dari Aset Keuangan
Pada setiap tanggal pelaporan, Perusahaan mengevaluasi apakah terdapat bukti obyektif bahwa aset keuangan mengalami penurunan nilai. Aset keuangan diturunkan nilainya dan kerugian penurunan nilai diakui jika, dan hanya jika, terdapat bukti obyektif bahwa penurunan nilai terjadi sebagai akibat dari adanya peristiwa merugikan yang terjadi setelah pengakuan awal aset keuangan tersebut. Peristiwa yang merugikan tersebut dapat diestimasi secara handal dan berdampak negatif pada estimasi arus kas masa depan dari aset keuangan yang bersangkutan.

Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi penurunan nilainya diukur dari selisih antara nilai tercatat dan nilai kini estimasi arus kas di masa depan yang didiskontokan menggunakan suku bunga efektif.

2. SUMMARY OF ACCOUNTING POLICIES (continued)
g. Financial Assets and Liabilities (continued)

In 2015 and 2014, the Company has no financial liabilities measured at fair value through statement of profit or loss.

(ii) Financial liabilities measured at amortized cost.

Financial liabilities that are not classified as financial liabilities at fair value through profit or loss fall into this category and measured at amortized cost using the effective interest rate method.

In 2015 and 2014, the Company has trade payables, accrued expenses and other current liabilities are classified as financial liabilities at amortized cost.

Estimation of Fair Value
Fair value of financial instruments that are traded in active markets is determined based on quoted market price at the reporting date.

Fair value of financial instruments that are not traded in active markets is determined using appropiate valuation techniques such as current fair market transactions, reference to fair value of other financial instruments that are substantially similar, and a discounted cash flow analysis or other valuation models.

Termination of Recognition
Financial assets are derecognized when the contractual rights to receive cash flows from these assets have ceased, or when the assets have transferred and substantially all risks and benefits of the ownership of the assets are transferred. If, all the risks and benefits have not substantially transferred, the Company conducts an evaluation to ensure the ongoing involvement of the existing controls does not prevent the termination of recognition. Financial liabilities are derecognized when redeemed or expired.

Impairment of Financial Assets
At each reporting date, the Company evaluates whether there is any objective evidence that a financial asset is impaired. A financial asset is impaired and an impairment loss is recognized if, and only if, there is any objective evidence that the impairment occured as the result of one or more loss events occurred after the initial recognition. The loss events can be estimated reliably and have adverse impact on estimated future cash flows for the financial assets.

Impairment of a financial asset carried at amortized cost is measured as the difference between its carrying amount and the present value of estimated future cash flows discounted using the effective interest rate.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

h. Transaksi Dengan Pihak-pihak Berelasi

Perusahaan mempunyai transaksi dengan pihak-pihak berelasi. Definisi pihak-pihak berelasi adalah sesuai dengan yang diatur dalam PSAK No.7 (Revisi 2010) "Pengungkapan Pihak-Pihak Berelasi".

Sifat hubungan dengan pihak-pihak berelasi antara lain sebagai berikut:

- Pemerintah RI yang diwakili oleh Menteri BUMN yang merupakan pemegang saham Perusahaan, dan BUMN lain yang memiliki hubungan afiliasi melalui Penyertaan Modal Pemerintah.
- Perusahaan menempatkan dana atau memiliki pinjaman dana pada bank yang dimiliki oleh Pemerintah atau BUMN/D dengan persyaratan dan tingkat bunga normal sebagaimana yang berlaku untuk nasabah pihak ketiga.
- Mempunyai anggota pengurus (komisaris dan direksi) yang sama dengan Entitas Anak.
- Perusahaan mengadakan perjanjian dalam rangka usaha dengan BUMN lain maupun Entitas Anak BUMN serta badan/lembaga-lembaga Pemerintah.

i. Persediaan

1. Biaya Perolehan Persediaan
   Biaya perolehan *persediaan* meliputi harga beli, PPN masukan yang tidak dapat dikreditkan, biaya konversi, dan biaya lainnya yang timbul sampai persediaan dalam kondisi dan tempat yang siap untuk dijual atau dipakai *(present location and condition)* , kecuali untuk persediaan produk dalam proses dicatat sebesar persentase beban pokok barang dalam proses terhadap beban pokok barang jadi, yaitu :
   - Produk dalam proses untuk barang curah (*bulk* penilaiannya disamakan antara yang akan diformulasi menjadi produk akhir atau yang akan dijual.
   - Produk dalam proses untuk produk akhir dilakukan berdasarkan rata-rata beban pokok produksi (HPP) tanpa bahan kemasan terhadap HPP Vaksin terapan dikurangi persentase produk *reject* saat dikemas, sebagaimana tertuang dalam Nota Dinas Direksi No.07841/DIR/XII/2010 tanggal 8 Desember 2010.
2. Persediaan Bahan Baku, Penolong dan Perlengkapan
   Persediaan bahan baku, penolong dan perlengkapan dinyatakan berdasarkan nilai terendah antara biaya perolehan dan nilai realisasi bersih yang ditentukan dengan menggunakan metode rata-rata bergerak.
3. Persediaan Produk Dalam Proses
   Persediaan produk dalam proses dihitung setiap triwulan berdasarkan beban pokok produksi terapan, dan pada akhir tahun buku dinyatakan sebesar beban pokok produksi dengan menggunakan metode rata-rata sederhana.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

h. Transactions with Related Parties

The Company has transactions with other parties which are considered as related party transactions as defined under PSAK No.7 (Revised 2010) "Related Party Disclosures".

The nature of the relationship with related parties are as follows:

- *Government of the Republic of Indonesia represented by the Minister for State-Owned Enterprises as the shareholder of the Company, and other state-owned Companies that have affiliated relationships through government investments.*
- *The Company invests its funds at or has loans from banks owned by the government or state/provincial-owned companies with normal terms and interest rates as applicable to third party customers.*
- *The Company has same board members (commissioners or directors) as its subsidiaries.*
- *The Company entered into business agreements with other state-owned entities or their subsidiaries, and Government institutions or agencies .*

i. Inventories

1. Cost of Inventory
Inventories are stated at acquisition cost, which includes such purchase price, the VAT that cannot be credited, conversion costs, and other costs incurred in bringing inventories to present location and conditions, except for inventories of products in process which are recorded at the percentage of cost of goods in process on cost of finished goods, those are :

- *The valuation of work in process of bulk goods (bulk) is measured equivalent to which will be formulated to final products or products to be sold.*
- *Work in process for end products are valued based on the average of production cost without package materials to the applied production cost of Vaccines less the percentage of reject products incurred at packaging, as stated in the Directors Memorandum No.07841/DIR/XII/ 2010 dated December 8, 2010.*

2. Raw Materials, Auxiliary Materials and Supplies
Raw and auxiliary materials and supplies are stated at the lower of cost or net realizable value, which are determined using the moving average method.

3. Work In Process
Work in process inventory is computed at quarterly basis based on the applied production cost. At the end of book year the inventory is stated at production cost using a simple average method .

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

i. Persediaan (lanjutan)

Persediaan produk dalam proses terdiri dari :
- *Bulk* hasil produksi yang telah lulus uji *(quality control)* dengan kondisi siap untuk diformulasi menjadi produk akhir dan siap untuk dijual sebelum dilakukan pengemasan.
- Produk akhir hasil produksi yang telah dikemas dalam wadah (botol/ampul/vial/ *uniject blank)* dan telah lulus uji *(quality control)* sebelum diberi etiket, *leaflet* dan dimasukkan ke dalam dus.

4. Persediaan Produk Jadi
Persediaan produk jadi terdiri dari :
- Persediaan Produk Hasil Produksi Sendiri
Persediaan produk jadi hasil produksi sendiri dinyatakan sebesar nilai yang lebih rendah antara biaya perolehan dan nilai realisasi bersih. Biaya perolehan produk jadi hasil produksi sendiri diukur dengan menggunakan metode rata-rata sederhana.
Nilai realisasi bersih diukur sebesar taksiran harga jual dikurangi biaya untuk menjual.
- Persediaan Barang Dagangan
Persediaan barang dagangan terdiri dari barang jadi yang dibeli secara lokal maupun impor yang dinyatakan sebesar nilai terendah antara biaya perolehan dan nilai realisasi bersih. Biaya perolehan ditentukan dengan menggunakan metode rata-rata bergerak.

5. Persediaan Dalam Perjalanan
Persediaan dalam perjalanan adalah persediaan bahan baku/bahan penolong/perlengkapan/barang dagangan yang pada akhir periode pelaporan barangnya sudah diterima/tiba di pelabuhan dan sesuai syarat penyerahan barang sudah menjadi milik Perusahaan. Khusus untuk barang yang berasal dari impor dibuat Nota Perhitungan Barang Impor (NPI) sementara sebagai dasar mencatat nilai "Persediaan dalam Perjalanan".

6. Persediaan dalam Karantina
Persediaan dalam karantina merupakan persediaan bahan baku, bahan penolong, perlengkapan maupun barang dagangan yang pada akhir periode pelaporan barangnya sudah diterima atau tiba di Perusahaan, tetapi belum memenuhi syarat penyerahan barang karena belum lulus uji.

7. Penurunan Nilai Persediaan
Penurunan nilai persediaan menjadi sebesar nilai realisasi bersih diakui sebagai beban dalam periode terjadinya penurunan nilai. Pemulihan kembali nilai persediaan setelah terjadi penurunan nilai diakui sebagai pengurangan beban dalam periode terjadinya pemulihan.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

i. Inventories (continued)

Work in process inventory consists of :
- *Bulk products which are already passed the quality control tests and ready to be formulated and converted to finished goods inventory and available for sale, prior to packing process.*
- *Final products which have been packaged in bottle, ampul, vial, blank uniject and passed the quality control tests before putting label, brouchure and loading into the boxes.*

4. Finished Goods
Finished goods inventory consists of :
- *Products from the Company's Own Production*
Inventory of products from its own production is stated at the lower of cost or net realizable value. The cost represents cost of production which is determined using the simple average method.

Net realization value is measured at estimated selling price less cost to sell.
- *Merchandise Products*
Merchandise inventory of finished goods purchased from both domestic and imported is stated at the lower of cost or net realizable value. The cost is determined using the moving average method.

5. Inventory in Transit
Inventories in transit are raw materials/auxiliaries/ supplies/merchandises that have been arrived/ received at the port and. According to the delivery terms, have to be the belongings of the Company. Particularly for imported goods are made a temporarily Memorandum of the Calculation of Imported Goods as the basis for recording the value of "Inventories in Transit".

6. Inventory in Quarantine
Inventories in quarantine are raw materials, auxiliary materials, supplies, or merchandises that have received by the Company at the end of reporting period but they have not meet the delivery terms yet because they are still in the test process.

7. Impairment of Inventory
Impairment of inventory value to be as net realizable value is recognied as expense in the period in which it is incurred. The recovery of inventory value after impairment is recognized as decrease in expense in the period in which it is incurred.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

j. Aset Tetap

1. Pengukuran Aset Tetap Selain Tanah
   Aset tetap pemilikan langsung, kecuali tanah, dinyatakan sebesar biaya perolehannya dikurangi akumulasi penyusutan dan penurunan nilai. Aset tetap, kecuali Tanah, disusutkan sesuai tabel berikut:

Kelompok Aset Tetap	Metode Penyusutan *Depreciation Mothod*	Manfaat Keekonomian *Economic Benefit*	Tarif Penyusutan *Depreciation Rate*	*Category of PPE*
Bangunan	Garis Lurus/*Straight-line*	20 tahun/*years*	5,00%	*Building*
Bangunan Tidak Permanen	Garis Lurus/*Straight-line*	10 tahun/*years*	10,00%	*Non-Permanent Building*
Rumah Dinas	Garis Lurus/*Straight-line*	20 tahun/*years*	5,00%	*Official House*
Inventaris Mesin				*Machinery*
Kelompok 2	Saldo Menurun/*Declining Balance*	8 tahun/*years*	25,00%	*Group 2*
Kelompok 3	Saldo Menurun/*Declining Balance*	16 tahun/*years*	12,50%	*Group 3*
Inventaris Pabrik				*Factory Equipment*
Kelompok 2	Saldo Menurun/*Declining Balance*	8 tahun/*years*	25,00%	*Group 2*
Kelompok 3	Saldo Menurun/*Declining Balance*	16 tahun/*years*	12,50%	*Group 3*
Inventaris Utility	Saldo Menurun/*Declining Balance*	16 tahun/*years*	12,50%	*Utility Equipment*
Inventaris Kantor				*Office Equipment*
Kelompok 1	Saldo Menurun/*Declining Balance*	4 tahun/*years*	50,00%	*Group 1*
Kelompok 2	Saldo Menurun/*Declining Balance*	8 tahun/*years*	25,00%	*Group 2*
Kendaraan Bermotor				*Vehicle*
Kelompok 1	Saldo Menurun/*Declining Balance*	4 tahun/*years*	50,00%	*Group 1*
Kelompok 2	Saldo Menurun/*Declining Balance*	5 tahun/*years*	40,00%	*Group 2*

Pada tahun 2015 perusahaan mengubah estimasi masa manfaat kendaraan bermotor kelompok 2 yang semula 8 tahun menjadi 5 tahun.

Pengeluaran setelah perolehan untuk menjaga manfaat keekonomian aset tetap diakui sebagai beban pada saat terjadinya. Pengeluaran yang dapat meningkatkan manfaat keekonomian dimasa yang akan datang dan bernilai material dikapitalisasi.

2. Perubahan Model Pengukuran Aset Tetap Tanah
   Pada tahun 2015 Perusahaan merubah kebijakan akuntansi untuk aset tetap kelompok Tanah dari model biaya ke model revaluasi secara prospektif. Nilai tercatat Tanah pada tanggal laporan 31 Desember 2015 adalah sebesar jumlah revaluasian. Selisih yang timbul akibat revaluasi diakui dalam penghasilan komprehensif lain dan dalam ekuitas sebagai surplus revaluasi aset tetap. Surplus revaluasi akan dialihkan ke saldo laba ketika aset tersebut dihentikan pengakuannya.

3. Aset Dalam Pembangunan
   Aset dalam pembangunan disajikan tersendiri dalam kelompok aset tetap dan dinyatakan sebesar biaya perolehan. Akumulasi biaya perolehan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat aset tersebut selesai dikerjakan dan siap digunakan.

4. Aset Tetap Tidak Produktif
   Aset tetap yang sudah tidak dapat digunakan lagi karena karena rusak atau usang dikeluarkan dari kelompok aset tetap dan disajikan pada pos aset tetap tidak produktif.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Property, Plant and Equipment (PPE)

1 Measurement of PPE Unless Land
Direct ownership of PPE, unless land, are stated at acquisition cost less accumulated depreciation and impairment. PPE, unless land, are depreciated according to the following table:

In 2015 the Company changed the estimated useful life of vehicles of group 2 from 8 years to be 5 years.

Expenditures after acquisition to maintain economic benefit of a fixed asset are expensed as they are incurred. Expenditures that improve economic benefit in the future and material are capitalized.

2. Change of Measurement Model for Land
In 2015 the Company changed its accounting policy for all lands from cost model to revaluarion model prospectively. At the reporting date December 31, 2015, the carrying value of lands is stated at revaluation amount. The difference between their cost and revaluation amount is recognized as revaluation surplus of fixed assets, and presented in both other comprehensive income and equity. The amount of revaluation surplus will be transfered to profit or loss when the asset is terminated.

3. Asset in Construction
Fixed assets in construction are presented separately as part of fixed assets and are stated at cost. The accumulated costs of construction will be reclassified to the respective fixed asset when it is complete or ready for use.

4 Unproductive Assets
Unused fixed assets because of damage or obsolete are disposed from fixed assets section, and are presented at their fair value in other non-current assets section.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

j. Aset Tetap (lanjutan)

tetap tidak produktif dalam kelompok aset tidak lancar lainnya sebesar nilai wajarnya. Jika akan dijual dalam periode pendek maka aset tersebut disajikan dalam kelompok aset lancar sebesar nilai wajarnya. Keuntungan atau kerugian yang timbul diakui sebagai beban pada periode terjadinya.

Penghapusbukuan aset tetap dilakukan setelah mendapat persetujuan pemegang saham dalam RUPS atau Dewan Komisaris.

k. Aset Takberwujud

1. Biaya yang berhubungan dengan penyempurnaan sistem dan prosedur yang dapat diidentifikasi, dikendalikan serta memberikan manfaat ekonomi yang melebihi biayanya dalam jangka waktu lebih dari satu tahun, diakui sebagai aset takberwujud. Biaya ini diamortisasi dengan menggunakan metode garis lurus selama masa manfaat 4 (empat) tahun.
2. Biaya pengembangan *upstream* vaksin flu meliputi biaya-biaya yang terkait dengan penemuan riset atau pengetahuan produksi vaksin flu yang berbasis telur dari penyiapan telur, pembuatan *bulk,* uji klinis sampai registrasi dari produk tersebut yang dilakukan oleh pihak eksternal. Biaya pengembangan *upstream* vaksin flu diakui sebagai aset takberwujud dan diamortisasi menggunakan metode garis lurus selama masa manfaat 8 (delapan) tahun.

l. Pengakuan Pendapatan dan Beban

Pendapatan diakui pada saat terjadi transaksi yaitu pada saat penyerahan barang atau jasa kepada pelanggan. Beban diakui pada saat terjadinya (metode akrual).

m. Beban Penelitian, Pengembangan dan *Surveilans*

Biaya yang dikeluarkan dalam tahapan penelitian atau tahapan penelitian pada proyek internal termasuk pemantauan produk yang sudah dijual diakui sebagai beban pada saat terjadinya.

n. Pajak Penghasilan

Seluruh perbedaan temporer antara jumlah tercatat aset dan liabilitas dengan dasar pengenaan pajaknya diakui sebagai pajak tangguhan dengan metode liabilitas. Pajak tangguhan diukur dengan tarif pajak yang berlaku saat ini. Pajak kini diakui berdasarkan taksiran laba kena pajak untuk tahun yang bersangkutan sesuai dengan peraturan perpajakan yang berlaku.

Perubahan terhadap liabilitas perpajakan diakui pada saat Perusahaan menerima Surat Ketetapan Pajak (SKP) atau, jika Perusahaan mengajukan keberatan, pada saat keputusan atas keberatan tersebut telah ditetapkan.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Fixed Assets (continued)

These assets are reclassified to current assets at their fair value when they will be sold in the short period. Gain or loss incurred is recognized as expenses in the period of incurred.

Unproductive assets are written off by approval from Shareholders in Shareholders General Meeting or Commissioners.

k. Intangible Assets

1. Costs associated with refinement of systems and procedures that can be identified, controlled and provide economic benefits for more than one year are recognized as intangible assets. These costs are amortized using the straight-line method over the estimated useful life of 4 years.

2. Development costs of upstream flu vaccines represent costs associated with research findings or knowledge of production of egg-based flu vaccines from egg preparation, bulk manufacture, clinical trials to registration of such products performed by external parties. The development costs of upstream flu vaccines are recognized as intangible assets and will be amortized using straight line method over the useful life of 8 (eight) years.

l. Revenue and Expense Recognizion

Revenues are recognized when the transaction incurred, which is the deliver of goods or services to customers have been completed. Expenses are recognized as incurred (the accrual method).

m. Research, Development and Surveillance Expenses

Expenditures in research phases or research phases at internal research projects including monitoring of sold products are charged to expense as incurred.

n. Income Tax

All temporary differences between the tax based of assets and liabilities and their carrying amounts are recognized as deferred taxes using liability method. Deferred tax is measured by enacted tax rate. Current tax is recognized based on taxable income for the year, in accordance with current tax regulations.

Corrections of tax liabilities are recognized when tax assessment letter (SKP) is received, or if the Company appealed, when the result of the appeal is determined.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

o. Imbalan Kerja

Perusahaan melaksanakan imbalan manfaat karyawan dan menyelenggarakan program pensiun/imbalan pasca kerja karyawan sesuai dengan Undang-Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan. Program pensiun karyawan dikelola oleh Dana Pensiun Lembaga Keuangan (DPLK) PT Asuransi Jiwasraya.

Perusahaan mengakui beban dan liabilitas imbalan pascakerja dan imbalan jangka panjang lainnya sesuai dengan PSAK 24 (Revisi 2013) "Imbalan Kerja".

Perhitungan beban jasa kini, jasa lalu dan nilai kini kewajiban imbalan pasca kerja dan imbalan jangka panjang lainnya dilakukan oleh aktuaris independen dengan menggunakan metode "*projected unit credit*".

Perusahaan mengakui komponen biaya imbalan pasti sebagai berikut :

a. Biaya jasa dan bunga neto atas liabilitas (aset) imbalan pasti dalam laba rugi; dan
b. Keuntungan dan kerugian aktuarial dan imbal hasil atas aset program dalam penghasilan komprehensif lain.

Selain imbalan manfaat karyawan, Perusahaan juga menyelenggarakan program pensiun untuk seluruh karyawan tetap yang memenuhi syarat dan karyawan kontrak. Program ini memberikan imbalan manfaat karyawan berdasarkan penghasilan dasar pensiun dan masa kerja karyawan. Dana pensiun ini dikelola oleh Dana Pensiun Lembaga Keuangan (DPLK) PT Asuransi Jiwasraya. Pendanaan dana pensiun berdasarkan ketentuan terakhir yang dituangkan dalam Perjanjian Kerja Bersama antara Perusahaan dengan Himpunan Karyawan (HIKA) periode 2015-2017 pasal 66, yaitu 15% dari gaji dasar dengan komposisi 60% ditanggung oleh pemberi kerja sedangkan 40% ditanggung oleh karyawan masing-masing.

p. Pendapatan Hibah

Sejak 1 Januari 2011, Perusahaan melakukan penerapan lebih awal terhadap PSAK 61 "Akuntansi Hibah Pemerintah dan Pengungkapan Bantuan Pemerintah" sehubungan dengan diberlakukannya PSAK 6 "Pencabutan PSAK 21: Akuntansi Ekuitas", ISAK 1 "Penentuan Harga Pasar Dividen:, ISAK 2 "Penyajian Modal Dalam Neraca dan Piutang Kepada Pemegang Saham" dan ISAK 3 "Akuntansi Atas Pemberian Sumbangan atau Bantuan". Penerapan PSAK ini dilakukan secara retrospektif.

Hibah terkait dengan aset, termasuk hibah nonmoneter pada nilai wajar, disajikan dalam laporan posisi keuangan sebagai penghasilan ditangguhkan atau dicatat sebagai pengurang jumlah tercatat aset. Hibah terkait dengan penghasilan disajikan dalam laporan laba rugi dan penghasilan komprehensif lain dalam pos umum seperti "penghasilan lain lain" atau alternatif pengurang dalam beban terkait.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

o. Employee Benefits

The Company performs employee benefits and has a pension plan/postretirement benefits in accordance with labor law No.13 Year 2003 "Employment",.The pension plan is managed by PT Asuransi Jiwasraya, a financial institution of pension fund ("DPLK").

The Company recognizes expense and postretirement benefit and other long-term benefit liabilities in accordance with the PSAK 24 (Revisi 2013) "Employee Benefits".

The calculation of current and past service costs and present value of postretirement and other long-term benefits are conducted by an independent actuary using "projected unit credit" method.

The Company recognizes the following defined benefit cost components :

a Service cost and net interest on defined benefit liability (asset) in profit or loss, and
b Actuarial gain or loss and return on plan assets in other comprehensive income.

In addition to employee benefits, the Company also provides a pension plan for all eligible permanent employees and contract workers. This program provides employee benefits based on pension basic income and working period of the employees. The pension plan is managed by the Financial Institution of Pension Plan (DPLK) PT Asuransi Jiwasraya. The pension plan funding is based on the latest decree that stipulated in the agreement between the Company and the Association of the Company's Employees (HIKA) for the period of 2015-2017 article 66, which is 15% from basic salary with the composition of 60% of which is supported by the Employer and the other 40% is charged to the respective employee.

p. Grant

Since January 1, 2011, the Company applied early the PSAK 61, "Accounting for Government Grants and Disclosure of Government Assistance" in relation to the enforcement of PPSAK 6, "Revocation of PSAK 21 "Accounting for Equity", ISAK 1 "Determination of Market Price Dividend", ISAK 2: "Presentation of Capital in the Balance Sheet and Receivable to Shareholders" and ISAK 3: "Accounting for Donations or Grant". The application of those SFASs are done retrospectively.

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position as deferred income, or recorded as reduction of the carrying amount of the assets. Grants related to income are presented in the statement of profit or loss and other comprehensive income in a general heading such as "other income", or as reduction of the related costs.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

p. Pendapatan Hibah (lanjutan)

Hibah diakui dalam laba rugi dengan dasar yang sistematis selama periode entitas mengakui sebagai beban atas biaya terkait yang dimaksudkan akan dikompensasikan dengan hibah.

q. Penggunaan Estimasi

Penyusunan laporan keuangan sesuai dengan prinsip akuntansi yang berlaku umum, mensyaratkan Perusahaan untuk memakai estimasi-estimasi dan asumsi-asumsi yang mempengaruhi jumlah-jumlah yang dilaporkan. Sehubungan dengan ketidakpastian yang melekat dalam pembuatan estimasi, hasil sebenarnya yang dilaporkan dalam periode mendatang mungkin didasarkan atas jumlah-jumlah yang berbeda dari estimasi tersebut.

Sejak 1 Januari 2011, Perusahaan telah mengadopsi PSAK 57 (Revisi 2009) "Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi", yang efektif untuk periode pelaporan keuangan yang dimulai pada atau setelah 1 Januari 2011 dan diterapkan secara prospektif.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

p. Grant (continued)

Grants are recognized in profit or loss with a sistematical basis during the period the entity recognizes as expense the related costs that will compensated with the grants.

q. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in Indonesia requires the Company to make estimates and assumptions that affects the amounts reported in the financial statements. Due to inherent uncertainty in determination of estimation, the actual amount reported in the future might possibly be different from these estimates.

Since January 1, 2011, the Company adopted PSAK 57 (Revised 2009) "Provision, Contingent Liability, and Contingent Asset" that was effective for the financial reporting periods beginning on or after January 1, 2011 and applied retrospectively.

3. KAS DAN SETARA KAS / ***3. CASH AND CASH EQUIVALENTS***

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Kas	182.759.333	129.553.541	74.578.894	*Cash*
Bank				*Bank*
Pihak Berelasi - Rupiah				*Related Parties - Rupiah*
PT Bank Mandiri (Persero) Tbk	5.246.858.764	13.599.595.163	11.915.983.841	*PT Bank Mandiri (Persero) Tbk*
PT Bank Negara Indonesia (Persero) Tbk	869.406.146	1.678.876.808	1.524.780.860	*PT Bank Negara Indonesia (Persero) Tbk*
PT Bank Jabar Banten Tbk	420.464.428	557.995.142	3.415.831.663	*PT Bank Jabar Banten Tbk*
Lembaga Pembiayaan Ekspor Indonesia	306.561.705	172.657.508	137.029.666	*Lembaga Pembiayaan Ekspor Indonesia*
PT Bank Rakyat Indonesia (Persero) Tbk	411.050.060	-	-	*PT Bank Rakyat Indonesia (Persero) Tbk*
Pihak Berelasi - Dolar Amerika Serikat				*Related Parties - US Dollar*
PT Bank Mandiri (Persero) Tbk				*PT Bank Mandiri (Persero) Tbk*
2015 : USD 16,656,140.82	229.771.462.612			*2015 : USD 16,656,140.82*
2014 : USD 10,747,820.13		133.702.882.417		*2014 : USD 10,747,820.13*
2013 : USD 7,385,907.87			90.026.831.027	*2013 : USD 7,385,907.87*
PT Bank Negara Indonesia (Persero) Tbk				*PT Bank Negara Indonesia (Persero) Tbk*
2015 : USD 45,086.30	621.965.509			*2015 : USD 45,086.30*
2014 : USD 45,103.84		561.091.770		*2014 : USD 45,103.84*
2013 : USD 45,011.43			548.644.320	*2013 : USD 45,011.43*
Lembaga Pembiayaan Ekspor Indonesia				*Lembaga Pembiayaan Ekspor Indonesia*
2015 : USD 122,596.26	1.691.215.407			*2015 : USD 122,596.26*
2014 : USD 19,881.75		247.328.970		*2014 : USD 19,881.75*
2013 : USD 47,610.51			580.324.507	*2013 : USD 47,610.51*
Pihak Berelasi - Euro				*Related Parties - Euro*
PT Bank Mandiri (Persero) Tbk				*PT Bank Mandiri (Persero) Tbk*
2015 : EUR 7,127,955.08	107.415.930.830			*2015 : EUR 7,127,955.08*
2014 : EUR 1,665,476.75		25.204.092.682		*2014 : EUR 1,665,476.75*
2013 : EUR 320,548.40			5.392.085.678	*2013 : EUR 320,548.40*
	346.754.915.461	175.724.520.459	113.541.511.562	
Sub Jumlah Kas dan Bank	**346.937.674.794**	**175.854.074.000**	**113.616.090.456**	***Total Cash and Bank***

3. KAS DAN SETARA KAS (lanjutan) / *3. CASH AND CASH EQUIVALENTS (lanjutan)*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Jumlah pindahan	346.937.674.794	175.854.074.000	113.616.090.456	*Brought forward*
Setara Kas				***Cash Equivalents***
Pihak Berelasi				*Related Parties*
Deposit on call - Rupiah				*Deposit on call - Rupiah*
PT Bank Mandiri (Persero) Tbk	92.000.000.000	50.000.000.000	-	*PT Bank Mandiri (Persero) Tbk*
PT Bank Negara Indonesia (Persero) Tbk	6.000.000.000	30.000.000.000	5.000.000.000	*PT Bank Negara Indonesia (Persero) Tbk*
Deposito Berjangka - Rupiah				*Time Deposit - Rupiah*
PT Bank Mandiri (Persero) Tbk	-	550.000.000.000	430.000.000.000	*PT Bank Mandiri (Persero) Tbk*
PT Bank Rakyat Indonesia (Persero) Tbk	44.500.000.000	100.000.000.000	40.000.000.000	*PT Bank Rakyat Indonesia (Persero) Tbk*
PT BTN Syariah (Persero) Tbk	60.000.000.000	40.000.000.000	-	*PT BTN Syariah (Persero) Tbk*
PT Bank Negara Indonesia (Persero) Tbk	-	-	70.000.000.000	*PT Bank Negara Indonesia (Persero) Tbk*
PT Bank Jabar Banten Tbk	-	-	50.000.000.000	*PT Bank Jabar Banten Tbk*
PT Bank Tabungan Negara (Persero) Tbk	-	-	30.000.000.000	*PT Bank Tabungan Negara (Persero) Tbk*
Deposito Berjangka - Dolar Amerika Serikat				*Time Deposit - US Dollar*
PT Bank Mandiri (Persero) Tbk				*PT Bank Mandiri (Persero) Tbk*
2015: USD 471,300.00	6.501.583.500			*2015: USD 471,300.00*
2014: USD 471,300.00		5.862.972.000		*2014: USD 471,300.00*
2013: USD 5,471,300.00			66.689.675.700	*2013: USD 5,471,300.00*
PT Bank Jabar Banten Tbk				*PT Bank Jabar Banten Tbk*
2013: USD 5,000,000.00	-	-	60.945.000.000	*2013: USD 5,000,000.00*
Pihak Ketiga				*Third Parties*
Deposito Berjangka - Rupiah				*Time Deposit - Rupiah*
PT Bank Muamalat	-	20.000.000.000	25.000.000.000	*PT Bank Muamalat*
Sub Jumlah Setara Kas	209.001.583.500	795.862.972.000	777.634.675.700	***Total Cash Equivalents***
Jumlah Kas dan Setara Kas	**555.939.258.294**	**971.717.046.000**	**891.250.766.156**	***Total Cash and Cash Equivalents***
Tingkat Bunga Deposito :				*Interest Rate on Time Deposits*
Deposit On Call - Rupiah	4,80 % - 7,50 %	5,60 % - 6,25 %	6,25%	*Deposit on Call - Rupiah*
Deposito Berjangka : Rupiah	9,25%	9,75% - 11,25%	9,00% - 10,75%	*Time Deposit - Rupiah*
Deposito Berjangka : US Dollar	0,50%	1,50%	1,50% - 2,10%	*Time Deposits - US Dollar*
Nisbah Bagi Hasil Deposito Bank Muamala -		50:50	50:50	*Sharing portion of Deposit on Muamalat Bank*

Pada tanggal pelaporan, kas dan setara kas dalam mata uang asing dijabarkan ke Rupiah dengan menggunakan kurs tengah Bank Indonesia pada tanggal tersebut, sebagai berikut:

At reporting date, cash and cash equivalents denominated in foreign currencies are translated into Rupiah using the following prevailing middle rate of Central Bank of Indonesia at that date :

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
1 Euro (EUR)	15.069,67	15.133,26	16.821,44	*1 Euro (EUR)*
1 Dollar Amerika Serikat (USD)	13.795,00	12.440,00	12.189,00	*1 United States Dollar (USD)*
1 Dollar Australia (AUD)	10.064,16	10.218,22	10.875,66	*1 Australia Dollar (AUD)*
1 Dollar Singapura (SGD)	9.751,19	9.422,10	9.627,99	*1 Singapore Dollar (SGD)*
1 Poundsterling Inggris (GBP)	20.451,11	19.370,33	20.096,63	*1 Poundsterling (GBP)*
1 Franc Swiss (CHF)	13.951,29	12.582,82	13.731,78	*1 Switzerland Frank (CHF)*
1 Danish Krone Denmark (DKK)	2.019,32	2.031,90	2.254,99	*1 Danish Krone (DKK)*
1 Yen Jepang (JPY)	114,52	104,24	116,17	*1 Japan Yen (JPY)*

4. EFEK TERSEDIA UNTUK DIJUAL / *4. AVAILABLE FOR SALE SECURITIES*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Reksadana Penyertaan Terbatas	**-**	**25.599.792.849**	**-**	*Limited Investment Mutual Fund*

Reksadana Penyertaan Terbatas (RDPT) merupakan penyertaan pada PNM Pembiayaan Industri Telekomunikasi BUMN 2013 - MTN INTI 2014 seri B sebanyak 5 unit dengan nilai Rp25.000.000.000 ditambah biaya transaksi Rp222.500.000.

Investment in limited investment mutual fund represents the investment in 5 units of mutual fund of "PNM Pembiayaan Industri Telekomunikasi BUMN 2013 - MTN INTI 2014 Seri B" with value of Rp.25.000.000.000, plus transaction cost of Rp.222.500.000.

4. EFEK TERSEDIA UNTUK DIJUAL (lanjutan)

Penyertaan ini berjangka waktu 16 bulan dan jatuh tempo pada 3 Juli 2015 dengan tingkat keuntungan sebesar 10,44% per tahun. Pada tanggal laporan reksadana tersebut disajikan sebesar nilai wajar sesuai laporan PT PNM Investment Management No.INVACC00006316 tanggal Desember 2014. Selisih antara nilai tercatat dan nilai wajar diakui sebagai keuntungan (kerugian) belum direalisasi atas kepemilikan efek pada pos penghasilan komprehensif lain.

4. AVAILABLE FOR SALE SECURITIES (continued)

This investment is for 16 months, and due at July 3, 2015 with a yield of 10,44 % per year. At reporting date the mutual fund is stated at fair value in accordance with the report of PT PNM Investment Management No.INVACC00006316 dated December 2014. The difference between carrying value of the mutual fund and its fair value is recognized as unrealized gain (loss) in other comprehensive income section.

5. PIUTANG USAHA / ***5. TRADE RECEIVABLES***

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pelanggan Dalam Negeri				***Domestic Customers***
Pihak Berelasi :				*Related Parties*
PT Rajawali Nusantara Indonesia	10.956.104.182	6.700.016.887	3.261.919.886	*PT Rajawali Nusantara Indonesia*
PT Indofarma Global Medika	6.341.950.926	5.259.266.369	366.100.438	*PT Indofarma Global Medika*
PT Kimia Farma Trading & Distribution	-	319.745	4.069.247.896	*PT Kimia Farma Trading & Distribution*
Jumlah	17.298.055.107	11.959.603.001	7.697.268.220	*Total*
Pihak Ketiga				*Third Parties*
PT Merapi Utama Pharma	11.436.314.957	8.757.406.324	3.587.515.750	*PT Merapi Utama Pharma*
PT Sagi Capri	7.337.007.994	8.725.827.663	1.500.623.406	*PT Sagi Capri*
PT Bumi Paradise	9.662.400.000	-	-	*PT Bumi Paradise*
PT Kertajaya Utama	-	-	380.893.309	*PT Kertajaya Utama*
PT Sawah Besar Farma	-	-	139.749.258	*PT Sawah Besar Farma*
PT Triputra Maju Sentosa	-	-	366.804.878	*PT Triputra Maju Sentosa*
PT Pamor Baru	250.000.000	322.607.002	379.057.335	*PT Pamor Baru*
Jumlah	28.685.722.950	17.805.840.989	6.354.643.936	*Total*
Sub Jumlah	45.983.778.058	29.765.443.990	14.051.912.156	*Sub-total*
Pelanggan Luar Negeri				***Overseas Customers***
Pihak Ketiga				*Third Parties*
Bionet				*Bionet*
2015 : USD 19,208,555.65	264.982.025.192			*2015 : USD 19,208,555.65*
2014 : USD 12,323,712.00		153.306.977.280		*2014 : USD 12,323,712.00*
2013 : USD 10,870,640.00			132.502.234.007	*2013 : USD 10,870,640.00*
Universal - Exim				*Universal - Exim*
2015 : USD 8,214,387.50	113.317.475.563			*2015 : USD 8,214,387.50*
2014 : USD 2,212,375.00		27.521.945.000		*2014 : USD 2,212,375.00*
2013 : USD 10,404,507.50			126.820.541.918	*2013 : USD 10,404,507.50*
UNICEF				*UNICEF*
2015 : USD 5,271,110.40	72.714.967.968			*2015 : USD 5,271,110.40*
2014 : USD 1,443,751.40		17.960.267.416		*2014 : USD 1,443,751.40*
2013 : USD 1,087,759.00			13.258.694.451	*2013 : USD 1,087,759.00*
Arabio				*Arabio*
2015 : USD 604,532.10	8.339.520.320			*2015 : USD 604,532.10*
Hospitec				*Hospitec*
2015 : USD 93,000.00	1.282.935.000			*2015 : USD 93,000.00*
WHO				*WHO*
2015 : USD 38,750.00	534.556.250			*2015 : USD 38,750.00*
Paho				*Paho*
2015 : USD 27,284.50	376.389.678			*2015 : USD 27,284.50*
UE-BIBCOL				*UE-BIBCOL*
2014 : USD 2,008,912.50		24.990.871.500		*2014 : USD 2,008,912.50*
Emerald Pharma				*Emerald Pharma*
2014 : USD 124,000.00		1.542.560.000		*2014 : USD 124,000.00*
Propam				*Propam*
2014 : USD 63,684.00		792.228.960		*2014 : USD 63,684.00*
Jumlah dipindahkan	461.547.869.969	226.114.850.156	272.581.470.376	*Carried forward*

5. PIUTANG USAHA (lanjutan) / 5. ACCOUNTS RECEIVABLE (continued)

	31 Desember 2015 / December 31, 2015	31 Desember 2014 / December 31, 2014	1 Januari 2014 / January 1, 2014	
Pelanggan Luar Negeri (lanjutan)				***Overseas Customers (continued)***
Pihak Ketiga (lanjutan)				*Third Parties (continued)*
Jumlah pindahan	461.547.869.969	226.114.850.156	272.581.470.376	*Brought forward*
WHO				*WHO*
2014 : USD 59,131.80		735.599.592		*2014 : USD 59,131.80*
State Pharmaceutical				*State Pharmaceutical*
Corporation of Srilanka				*Corporation of Srilanka*
2013 : USD 76,800.00			936.115.200	*2013 : USD 76,800.00*
Berna				*Berna*
2013 : USD 8,000.00			97.512.000	*2013 : USD 8,000.00*
Sub Jumlah	461.547.869.969	226.850.449.748	273.615.097.576	*Sub-total*
J a s a	527.063.374	766.389.425	618.586.853	***Services***
Jumlah	**508.058.711.401**	**257.382.283.163**	**288.285.596.584**	***Total***
Dikurangi : Penyisihan Penurunan Nilai	312.622.025	122.481.675	39.963.975	*Less : Allowance for Impairment*
Jumlah Piutang Usaha - Bersih	**507.746.089.376**	**257.259.801.488**	**288.245.632.609**	***Total Trade Receivables - net***

Jumlah piutang usaha berdasarkan umur (tahun) adalah : / *The aging (year) of trade receivables is as follows :*

	31 Desember 2015 / December 31, 2015	31 Desember 2014 / December 31, 2014	1 Januari 2014 / January 1, 2014	
Sampai dengan 1 Tahun	507.913.478.500	256.916.916.878	288.113.866.068	*Up to 1 Year*
1 s.d. 2 Tahun	78.945.718	399.061.102	172.005.516	*1 up to 2 Years*
2 s.d. 3 Tahun	66.287.183	66.305.183	-	*2 up to 3 Years*
Jumlah	**508.058.711.401**	**257.382.283.163**	**288.285.871.584**	***Total***

Mutasi Penyisihan Penurunan Nilai : / *The movements of provision for impairment losses:*

	31 Desember 2015 / December 31, 2015	31 Desember 2014 / December 31, 2014	1 Januari 2014 / January 1, 2014	
Saldo Awal	122.481.675	39.963.975	771.882.856	*Beginning Balance*
Penyisihan Kerugian Penurunan Nilai Piutan	201.221.055	118.427.772	38.206.401	*Provision for Impairment Losses*
Penghapusan Tahun Berjalan	(11.080.706)	(35.910.072)	(770.125.281)	*Written-off*
Saldo Akhir	**312.622.025**	**122.481.675**	**39.963.975**	*Ending Balance*

Jumlah piutang usaha berdasarkan jenis mata uang adalah : / *Details of trade receivables based on currencies :*

	31 Desember 2015 / December 31, 2015	31 Desember 2014 / December 31, 2014	1 Januari 2014 / January 1, 2014	
Rupiah	46.510.841.432	30.531.833.415	14.670.499.009	*Rupiah*
Mata Uang Asing	461.547.869.969	226.850.449.748	273.615.097.576	*Foreign Currencies*
	508.058.711.401	257.382.283.163	288.285.596.584	
Dikurangi : Penyisihan Penurunan Nilai	(312.622.025)	(122.481.675)	(39.963.975)	*Less : Allowance for Impairment*
Jumlah	**507.746.089.376**	**257.259.801.488**	**288.245.632.609**	***Total***

Piutang usaha senilai Rp16.800.000.000 dijadikan jaminan yang bersifat fidusia atas fasilitas kredit yang diterima dari Lembaga Pembiayaan Ekspor Indonesia (LPEI) berdasarkan Surat Persetujuan Perpanjangan Fasilitas Pembiayaan (SPPFP) No.PBD/SP3/45/2015 tanggal 15 Juni 2015 dan Perubahan Perjanjian Kredit Modal Kerja Ekspor No.162/ ADDDPK/06/2015 tanggal 23 Juni 2015 untuk perpanjangan jangka waktu kredit sampai dengan 24 Juni 2016.

Trade receivables amounting to Rp.16.800.000.000 have been pledged as fiduciary collateral for credit facility obtained from the Lembaga Pembiayaan Ekspor Indonesia (LPEI) based on Letter of Approval for Extended Financing Facility No.PBD/ SP3/45/2015 dated June 15, 2015 and Amendment of Export Working Capital Loan Agreement No.162/ADDDPK/ 06/2015 dated June 23, 2015 for the extension of loan period until June 24, 2016.

Manajemen berkeyakinan bahwa penyisihan penurunan nilai piutang cukup untuk menutupi kerugian yang mungkin timbul atas tidak tertagihnya piutang.

Management believes that the amount of provision for impairment losses is adequate to cover possible losses from uncollectible trade receivables.

Adanya hubungan berelasi mungkin mengakibatkan persyaratan transaksi tersebut di atas tidak sama dengan transaksi lain yang dilakukan dengan pihak ketiga.

A related party may result in difference terms of the transactions with those of similar transactions to third parties.

6. PIUTANG LAIN-LAIN / *6. OTHER RECEIVABLES*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pihak Berelasi :				*Related Parties :*
Piutang PT Iglas (Persero)	1.302.637.458	1.302.637.458	1.302.637.458	*PT Iglas (Persero)*
Pihak Ketiga :				*Third Parties :*
Piutang Lainnya	822.213.060	850.045.644	345.695.659	*Others*
	2.124.850.518	2.152.683.102	1.648.333.117	
Dikurangi : Penyisihan Penurunan Nilai	(1.302.637.458)	(1.302.637.458)	(1.302.637.458)	*Less : Allowance for Impairment*
Jumlah Piutang Lain-Lain	**822.213.060**	**850.045.644**	**345.695.659**	***Total Other Receivables***

Mutasi Penyisihan Penurunan Nilai : / *Movement of Allowance for Impairment :*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Saldo Awal	1.302.637.458	1.302.637.458	1.327.637.458	*Beginning Balance*
Pemulihan Tahun Berjalan	-	-	(25.000.000)	*Bad Debt Recovery*
Saldo Akhir	**1.302.637.458**	**1.302.637.458**	**1.302.637.458**	*Ending Balance*

Piutang PT Iglas (Persero) merupakan piutang atas pinjaman yang diberikan berdasarkan perjanjian kerjasama keuangan No. P-0087/10-2006 dan No. 07256/DIR/X/2006 tanggal 19 Oktober 2006. Putusan Mahkamah Agung RI No.397K/ Pdt.Sus/2009 tanggal 30 Juli 2009, Jo No.01/Pailit/2009/PN Niaga Sby tanggal 30 September 2009 menyatakan PT Iglas (Persero) dalam pailit. Atas dasar putusan tersebut, Perusahaan melakukan penyisihan 100 % atas pokok piutang PT Iglas (Persero) sebesar Rp4.894.737.040 dari jumlah kewajibannya sebesar Rp6.503.458.205 yang terdiri dari :

PT Iglas (Persero) account represents the balance of loan for PT Iglas (Persero) based on agreement No.P-0087/10-2006 and No.07256/DIR/X/2006 dated October 19, 2006. In 2009, the Supreme Court of the Republic of Indonesia stated in his Decision No.397K/Pdt.Sus/ 2009 dated July 30, 2009, Jo No.01/Pailit/2009/PN Niaga Sby dated September 30, 2009 that PT Iglas (Persero) was in bankrupt. Based on this decision, the Company impaired 100% on the principal of receivable to PT Iglas (Persero) of Rp4.894.737.040 from total of its debt of Rp6.503.458.205 which consist of :

Pokok Piutang	Rp	4.894.737.040	*Principal*
Akumulasi Bunga		1.398.732.896	*Accumulated Interests*
Akumulasi Denda		209.988.269	*Accumulated Penalties*
	Rp	6.503.458.205	

Perusahaan belum mengakui pendapatan bunga dan denda atas piutang tersebut karena pendapatan dan denda baru diakui pada saat diterima.

The Company has not recognized the interests and penalties on such receivable as revenues. These interests and penaltes will be recognized when received.

Sesuai Putusan Perdamaian tanggal 13 Januari 2010 yang diputuskan oleh Pengadilan Niaga di Pengadilan Negeri Surabaya bahwa Perusahaan sebagai Kreditur Konkuren PT Iglas (Persero) berhak untuk memperoleh pembayaran atas piutang, sehingga terbuka kembali kemungkinan untuk tertagihnya piutang tersebut.

On January 13, 2010 the Commercial Court at the District Court of Surabaya made a peace decision that the Company, as a Concurrent Creditor of PT Iglas (Persero), is entitled to obtain payment from this receivable, thus there is possibility to collect this receivable.

Posisi Piutang PT Iglas (Persero) adalah sebagai berikut : / *The position of receivable to PT Iglas (Persero) is as follow :*

Total Piutang pada saat pailit	Rp	4.894.737.040	*Total receivable at the time of bankrupt*
Pembayaran			*Payments*
a. Sumber Dana dari PT Iglas (Persero)			*a. Source of fund from PT Iglas (Persero)*
- Tahun 2010		681.057.000	*- Year 2010*
- Tahun 2011		302.691.939	*- Year 2011*
- Tahun 2012		50.000.000	*- Year 2012*
- Tahun 2013		25.000.000	*- Year 2013*
	Rp	1.058.748.939	
b. Sumber Dana dari PT Perusahaan Pengelola Aset (Persero) (PT PPA)			*b. Source of fund from PT Perusahaan Pengelola Aset (Persero)*
- Tahun 2011		2.533.350.643	*Year 2011*
Total Pembayaran		3.592.099.582	*Total Payments*
Saldo Piutang per 31 Desember 2015	Rp	1.302.637.458	*Balance as of December 31, 2015*

6. PIUTANG LAIN-LAIN (lanjutan)

Pembayaran sebagian piutang PT Iglas (Persero) oleh PT PPA (Persero) sesuai dengan kesepakatan antara PT Iglas (Persero) dan para Krediturnya yang dimediasi oleh Kurator dari Kantor Pengadilan Niaga Surabaya. Sesuai kesepakatan tersebut, bagian piutang yang akan dibayar oleh PT Iglas (Persero) dengan sumber dana PT PPA (Persero) adalah sebesar Rp3.533.041.412, sehingga sisa piutang PT Iglas (Persero) yang belum dibayarkan dengan sumber dana PT PPA (Persero) sebesar Rp999.690.769.

6. OTHER RECEIVABLES (continued)

The payment from PT PPA (Persero) was based on an agreement between PT Iglas and its creditors under mediation of Curator from the Office of Commercial Court at Surabaya. According to this agreement, a part of receivable to PT Iglas amounting to Rp3.533.041.412 would be paid by the source of fund from the PT PPA. Therefore, the balance of receivable to PT Iglas that has not be paid by the source of fund from PT PPA is Rp999.690.769.

7. PERSEDIAAN

7. INVENTORIES

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Bahan Baku/ Penolong	205.935.635.178	164.539.897.265	116.250.644.680	*Raw Materials/Auxiliaries*
Produk Dalam Proses	222.475.046.209	97.889.204.813	46.675.802.415	*Products in progress*
Produk Jadi	33.161.706.767	65.775.265.667	42.582.402.135	*Finished Products*
Perlengkapan	4.866.037.913	1.138.633.444	1.292.789.722	*Equipments*
Barang Dagangan	2.010.514.545	1.313.359.545	34.140.799	*Merchandises*
	468.448.940.613	330.656.360.734	206.835.779.751	
Dikurangi : Penyisihan Penurunan Nilai	5.891.672.358	4.056.315.911	1.937.136.864	*Less: impairment of value*
Jumlah Persediaan-Bersih	**462.557.268.255**	**326.600.044.823**	**204.898.642.887**	***Total Inventories - Net***

Mutasi Penyisihan Penurunan Nilai Persediaan / *The movement of provision for impairment*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Saldo Awal	4.056.315.911	1.937.136.864	2.896.861.910	*Beginning Balance*
Pembebanan Tahun Berjalan	4.442.058.615	4.076.943.172	1.548.850.701	*Provision for the Year*
Pemulihan Tahun Berjalan	(2.606.702.168)	(1.957.764.125)	(2.508.575.746)	*Current Year's Impairment Recovery*
Saldo Akhir	**5.891.672.357**	**4.056.315.911**	**1.937.136.864**	***Ending Balance***

Persediaan telah diasuransikan terhadap risiko kerugian berdasarkan suatu paket polis tertentu dengan nilai pertanggungan masing-masing Rp326.600.044.823, Rp308.654.734.044, dan Rp164.821.243.647 pada tahun-tahun 2015, 2014 dan 2013. Manajemen berkeyakinan bahwa nilai pertanggungan asuransi cukup untuk menutup kerugian yang mungkin timbul atas risiko kerugian.

Inventories have been insured against loss by certain policy packages with coverage value of Rp326.600.044.823, Rp308.654.734.044 and Rp164.821.243.647 in 2015, 2014 and 2013 respectively. The management believes that the amount of insurance coverage is adequate to cover potential losses from the insured risk.

Persediaan barang senilai Rp34.700.000.000 dijadikan jaminan secara fidusia atas fasilitas kredit yang diterima dari Lembaga Pembiayaan Ekspor Indonesia (LPEI) berdasarkan Surat Persetujuan Perpanjangan Fasilitas Pembiayaan (SPPFP) No.PBD/SP3/45/2015 tanggal 15 Juni 2015 dan Perubahan Perjanjian Kredit Modal Kerja Ekspor No.162/ ADDDPK/06/2015 tanggal 23 Juni 2015 untuk perpanjangan jangka waktu kredit sampai dengan 24 Juni 2016.

Inventories amounting to Rp.34.700.000.000 have been pledged as fiduciary collateral for credit facility obtained from the Indonesia Eximbank (LPEI), based on Letter of Approval of Extended Financing (SPPFP) No.PBD/ SP3/45/2015 dated Juni 15, 2014 and Changes on Export Working Capital Loan Agreement No.162/ADDDPK/ 06/2015 dated June 23, 2015 for the extension of credit period until June 24, 2016.

8. UANG MUKA

8. ADVANCES

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pembelian Lokal	17.309.454.864	37.858.774.000	10.624.982.711	*Domestic Purchases*
Pembelian Barang Impor	58.096.388.624	11.444.997.065	12.178.828.284	*Purshases of Imported Goods*
Uang Muka Jasa Produksi	20.142.840.366	-	-	*Bonuses*
Impor Dalam Penyelesaian	2.293.407.746	17.492.068	1.414.874.731	*Import in Progress*
Uang Muka Lainnya	4.511.151.562	1.091.229.248	14.404.890.558	*Other Advances*
Jumlah	**102.353.243.161**	**50.412.492.381**	**38.623.576.284**	***Total***

8. UANG MUKA (lanjutan)

8. *ADVANCES (continued)*

Uang muka pembelian lokal terdiri dari :

Advance for domestic purchases consist of :

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pembangunan gedung fasilitas produksi dan pengemasan	14.280.480.545	31.849.057.818	-	*Construction of buildings for production and packaging facilities*
Pembelian solar	1.706.579.227	2.289.989.050	5.028.661.773	*Purchase of fuel*
Pengadaan *cold room* gedung Adm II	-	1.952.000.000	-	*Acquisition of cold room at administration building II*
Pembangunan gedung Adm II	-	-	3.988.503.088	*Construction of adm. building II*
Lainnya	1.323.485.092	1.767.727.132	1.607.817.850	
	17.310.544.864	37.858.774.000	10.624.982.711	

Uang muka pembelian barang impor terdiri dari :

Advance for purshases of imported goods consist of :

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pembelian Cell Stack/Cell Factory	-	7.266.763.800	6.310.610.970	*Purchase of Cell Stack / Cell Factory*
Pembelian Heatmarker VVM2 for OPV	-	1.324.492.025	-	*Heatmarker VVM2 for OPV*
Pembelian Vial-Ampoule Packaging-Line Machine	-	1.201.202.513	-	*Purchase of Vial-Ampoule Packaging Line Machine*
Pembelian Integrated Filling Line 3 Vial	35.897.084.165	-	-	*Integrated Filling Line 3 Vial*
Pembelian Integrated Filling Line PentaBio	9.040.599.370	-	-	*Integrated Filling Line PentaBio*
Pembelian Antibody Poliovirus T1-3.64	4.343.571.504	-	-	*Antibody Poliovirus T1-3.64*
Pembelian Case of 2 pieces	1.540.461.784	-	-	*Purchase of Case of 2 pieces*
Pembelian Fermentor	1.431.810.640	-	-	*Purchase of Fermentor*
Pembelian EBR Bio Farma Pertusis Facility	-		2.422.287.360	*EBR Bio Farma Pertusis Facility*
Pembelian lainnya	5.842.861.160	1.652.538.728	3.445.929.954	*Others*
	58.096.388.624	11.444.997.065	12.178.828.284	

Impor dalam penyelesaian merupakan pembayaran biaya asuransi, biaya bongkar muat, biaya inklaring, dan pajak terkait proses penanganan barang impor dari pelabuhan dalam negeri ke lokasi Perusahaan.

Advances for imports in progress represent payments in advance for insurance, unloading, and inklaring expenses and taxes related to the process of handling the imported goods from the port to the Company's location.

Uang muka jasa produksi adalah pembayaran di muka kepada karyawan atas jasa produksi tahun 2015.

Advances for bonuses are advanced payments on employee bonuses for the year of 2015.

9. PERPAJAKAN

a. Pajak Dibayar Dimuka

9. *TAXES*

a. Prepaid Taxes

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pajak Pertambahan Nilai - Masukan	239.924.469.571	154.008.287.440	96.972.139.772	*Value Added Tax (VAT) - Input*
Pungutan/Potongan PPN - Keluaran WAPU	2.771.329.518	-	-	*Witholding VAT - Output*
PPh Pasal 22	24.220.380	-	-	*Income Tax - Article 22*
Jumlah	**242.720.019.469**	**154.008.287.440**	**96.972.139.772**	***Total***

Saldo PPN Masukan per 31 Desember 2015 telah memperhitungkan restitusi PPN Masa Pajak Januari - Juni 2013 sebesar Rp28.875.864.464 sesuai Surat Perintah Membayar Kelebihan Pajak (SPMKP) No. 80034/051-00034-2015 tanggal 27 Januari 2015.

The balance of input-Value Added Tax (VAT) as of December 31, 2015 has taken into account the amount of VAT refund for the period of January to June 2013 amounted to Rp28.875.864.464, in accordance with Order Letter of Payment of Tax Overpayment (SPMKP) No.80034/051-00034-2015 dated January 27, 2015.

Saldo PPN Masukan per 31 Desember 2014 telah memperhitungkan restitusi PPN Masa Pajak September - Desember 2012 sebesar Rp19.415.502.236 sesuai Surat Perintah Membayar Kelebihan Pajak (SPMKP) No. 80081/051-0081-2014 tanggal 19 Maret 2014.

The balance of input-Value Added Tax (VAT) as of December 31, 2014 has taken into account the amount of VAT refund for the period of September to December 2012 amounted to Rp19.415.502.236, in accordance with Order Letter of Payment of Tax Overpayment (SPMKP) No.80081/051-0081-2014 dated March 19, 2014.

9. PERPAJAKAN (lanjutan)

a. Pajak Dibayar Dimuka (lanjutan)

Perusahaan sedang mengajukan restitusi PPN Masa Pajak Juli - Desember 2013 sebesar Rp43.474.004.227, PPN Masa Pajak Januari - Juni 2014 sebesar Rp40.267.802.686, PPN Masa Juli - September 2014 sebesar Rp17.843.425.174, PPN Masa Oktober - Desember 2014 sebesar Rp24.986.745.336 dan PPN Masa Januari - Maret 2015 sebesar Rp26.848.001.269.

9. TAXES (continued)

a. Prepaid Taxes (continued)

The Company is in the process of claim for VAT restitutions for the periods of July - December 2013 of Rp43.474.004.227, January - June 2014 of Rp40.267.802.686, July - September 2014 of Rp17.843.425174, October - December 2014 of Rp24.986.745.336, and January - March 2015 of Rp26.848.001.269.

b. Utang Pajak / ***b. Taxes Payable***

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pajak Penghasilan Pasal 25	17.228.940.681	14.223.627.380	10.300.606.190	*Income Tax Article 25*
Pajak Penghasilan Pasal 21	11.426.370.886	3.318.578.569	3.762.422.419	*Income Tax Article 21*
Pajak Penghasilan pasal 29	8.006.023.428	9.603.719.797	60.124.202.025	*Income Tax Article 29*
PPN Wapu	7.604.700.883	9.888.701.993	12.034.882.228	*Witholding VAT - Output*
Pajak Penghasilan Pasal 22	1.169.311.152	43.640.308	28.489.902	*Income Tax Article 22*
Pajak Penghasilan Final	733.674.778	1.197.361.995	440.599.829	*Income Tax - Final*
Pajak Penghasilan Pasal 23	349.265.374	612.819.202	225.215.694	*Income Tax Article 23*
Pajak Penghasilan Pasal 26	-	30.344.425	-	*Income Tax Article 26*
Jumlah	**46.518.287.182**	**38.918.793.669**	**86.916.418.287**	***Total***

c. Manfaat (Beban) Pajak Penghasilan / ***c. Income Taxes Benefit (Expense)***

		Disajikan Kembali/*Restated*		
	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pajak Kini	232.893.457.000	197.135.974.750	207.287.750.500	*Current tax*
Manfaat (Beban) Pajak Tangguhan	(4.212.772.294)	(3.427.099.596)	(1.166.385.151)	*Deferred Tax Benefit (Expense)*
Beban Pajak Penghasilan - Bersih	**228.680.684.706**	**193.708.875.154**	**206.121.365.349**	***Income Tax Expense - Net***

d. Rekonsiliasi antara laba komersial dan laba fiskal : / ***d. Reconciliation between commercial income and taxable income :***

		Disajikan Kembali/*Restated*		
	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Laba sebelum pajak penghasilan menurut laporan laba rugi	899.273.575.951	775.901.989.275	778.588.988.274	*Income before income tax as shown in statement of profit or loss*
Beda Waktu				*Temporary Differences*
Beban imbalan pasca kerja	14.825.592.378	11.506.701.638	6.929.427.107	*Employees benefit expense*
Penyisihan penurunan nilai piutang	190.140.350	82.517.700	(756.918.880)	*Provision for impairment of receivables*
Penyisihan nilai persediaan	1.835.356.447	2.119.179.047	(959.725.045)	*Provision for impairment of inventories*
Penurunan nilai aset tetap	-	-	(547.242.577)	*Impairment of fixed assets*
Biaya dibayar dimuka	-	(4.767.416.002)	(1.590.600.267)	*Prepaid expenses*
Pemulihan biaya dibayar dimuka	4.767.416.002	1.590.600.267	1.529.847.560	*Recovery of prepaid expenses*
Jumlah Beda Waktu	21.618.505.177	10.531.582.649	4.604.787.897	*Total Temporary Differences*
Beda Permanen				*Permanent Different*
Tantiem	16.540.204.371	10.718.398.616	16.529.371.000	*Management bonus*
Beban Pajak Lainnya	24.333.750	-	-	Other tax expenses
Koreksi pajak dan denda pajak	352.238.893	67.738.990	23.717.554.904	*Tax and tax penalty corrections*
Penghargaan dalam bentuk barang	341.701.090	488.795.990	1.609.353.950	*Rewards in goods*
Sumbangan sosial masyarakat	4.497.462.006	3.104.395.882	1.367.928.971	*Public social donations*
Bantuan sosial karyawan, direksi dan komisaris	13.869.376.472	14.115.386.930	9.077.234.948	*Social aids for employee, directors and commissioners*
Jumlah dipindahkan	35.625.316.582	28.494.716.408	52.301.443.773	*Carried forward*

9. PERPAJAKAN (lanjutan)

d. Rekonsiliasi antara laba komersial dan laba fiskal (lanjutan) :

9. TAXES (continued)

d. Reconciliation between commercial income and taxable income (continued) :

	Disajikan Kembali/*Restated*			
	31 Desember 2015 *December 31, 2015*	**31 Desember 2014** *December 31, 2014*	**1 Januari 2014** *January 1, 2014*	
Jumlah pindahan	35.625.316.582	28.494.716.408	52.301.443.773	*Brought forward*
Beban HUT Perusahaan, olah raga dan paket ramadhan	3.880.861.129	3.698.365.000	3.247.724.000	*The Company's anniversary, sports and ramadhan packages*
Fasilitas utilities dan keamanan direksi (50%)	-	9.633.165	-	*Director's utility and* security (50%)
Penyusutan mobil direksi (50%)	84.590.964	125.319.946	125.319.946	*Depreciation of Driector's Cars (50%)*
Tunjangan Komunikasi Direksi (50%)	80.877.904	68.678.637	104.068.016	*Director's Communication Allowance*
Beban Jamuan Tamu Perusahaan	4.884.585.811	3.760.908.867	3.136.287.590	*Entertainment*
Langganan perpustakaan dan surat kabar	131.912.199	484.202.495	342.938.343	*Subscription of newspapers and library*
Beban promosi yang tidak dapat dibiayakan	2.861.087.000	1.160.576.192	431.133.413	*Non-deductible promotions*
Bunga jasa giro dan deposito yang dikenakan PPh Final	(36.901.605.304)	(35.599.760.785)	(14.163.439.167)	*Interests of bank deposits accounts subject to final tax*
Penyusutan Mobil Non Direksi	277.458.863	(92.312.500)	-	*Depreciation of Cars*
Sewa ruangan dan bagi hasil yang dikenakan PPh Final	(243.337.500)	-	(243.250.000)	*Room rent and profit sharing subject to final tax*
Selisih Tantiem antara Taksasi dan RUPS	-	-	675.000.000	*Difference of estimated and actual (General Meeting) management bonus*
Jumlah Beda Permanen	10.681.747.647	2.110.327.425	45.957.225.914	*Total Permanent Differences*
Laba Kena Pajak	931.573.828.776	788.543.899.349	829.151.002.085	*Taxable Income*
Laba Kena Pajak (Dibulatkan)	**931.573.828.000**	**788.543.899.000**	**829.151.002.000**	***Taxable Income (rounded-off)***
Taksiran Beban Pajak Penghasilan				***Estimated Income Tax Expense***
25% x 931.573.828.000	**232.893.457.000**			*25% x 931.573.828.000*
25% x 788.543.899.000		**197.135.974.750**		*25% x 788.543.899.000*
25% x 829.151.002.000			**207.287.750.500**	*25% x 829.151.002.000*
Dikurangi : Pajak Dibayar Dimuka				*Less : Prepaid Taxes*
Pasal 22	18.079.362.507	14.775.680.258	13.486.121.395	*Article 22*
Pasal 23	60.782.894	73.046.137	43.386.300	*Article 23*
Pasal 25	206.747.288.172	172.683.528.558	133.634.040.780	*Article 25*
	224.887.433.573	187.532.254.953	147.163.548.475	
(Lebih) Kurang Bayar PPh Badan	**8.006.023.427**	**9.603.719.797**	**60.124.202.025**	***Income Tax (Over) Under Payment***

e. Pajak Tangguhan

Rekonsiliasi antara taksiran pajak penghasilan yang dihitung dengan menggunakan tarif pajak yang berlaku sebesar 25% dari laba akuntansi sebelum taksiran beban (manfaat) pajak penghasilan dan beban pajak seperti yang tercantum dalam laporan laba rugi dan penghasilan komprehensif lain tanggal 31 Desember 2015 dan 2014 dan 1 Januari 2014 adalah sebagai berikut:

e. Deferred Tax

The reconciliation between estimated income tax expense computed using the prevailing tax rate of 25% of the income before income tax expense (benefit) and the tax expense as shown in the statement of profit or loss dan other comprehensive income for the years ended December 31, 2015 and January 1, 2014 are as follows:

	Disajikan Kembali/*Restated*			
	31 Desember 2015 *December 31, 2015*	**31 Desember 2014** *December 31, 2014*	**1 Januari 2014** *January 1, 2014*	
Laba sebelum pajak penghasilan	899.273.575.951	775.901.989.275	778.588.988.274	*Income before income tax*
Beban Pajak dengan Tarif Pajak Maksimum	224.818.393.988	193.975.497.319	194.647.247.068	*Tax Expense based on Maximum Rate*
Pengaruh Pajak atas Beda Permanen	2.670.436.717	527.581.769	11.489.306.457	*Tax Impact on Permanent Differences*
Pemulihan Biaya Dibayar Dimuka	1.191.854.001	(794.203.934)	(15.188.177)	*Prepaid Expense Recovery*
Beban Pajak Perusahaan	228.680.684.706	193.708.875.154	206.121.365.349	*Corporate Tax Expense*
Beban Kini	232.893.457.000	197.135.974.750	207.287.750.500	*Current Tax*
Beban (Manfaat) Pajak Tangguhan	**(4.212.772.294)**	**(3.427.099.596)**	**(1.166.385.151)**	***Deferred Tax Expense (Asset)***

9. PERPAJAKAN (lanjutan)

e. Pajak Tangguhan (lanjutan)

Pajak tangguhan dihitung berdasarkan pengaruh dari perbedaan temporer antara jumlah tercatat aset dan liabilitas menurut laporan keuangan dari dasar pengenaan pajak aset dan liabilitas. Rincian aset dan liabilitas pajak tangguhan Perusahaan adalah:

Rincian aset dan liabilitas pajak tangguhan Perusahaan adalah sebagai berikut:

9. TAXES (continued)

e. Deferred Tax (continued)

Deferred tax is computed based on the effect of the temporary differences between the carrying amounts of assets and liabilities of their respective tax bases.

Details of the Company's deferred tax assets and liabilities are as follows:

	1 Januari 2014 *January 1, 2014*	Dibebankan ke Laba Rugi *Charged to Profit or Loss*	31 Desember 2014 *December 31, 2014*	Dibebankan ke Laba Rugi *Charged to Profit or Loss*	31 Desember 2015 *December 31, 2015*	
Aset Pajak Tangguhan						***Deferred Tas Asset***
Imbalan Kerja	12.092.664.805	2.876.675.410	14.969.340.215	3.706.398.095	18.675.738.310	*Employee Benefit*
Penyesuaian Imbalan Kerja	1.534.357.246	-	1.534.357.246	-	1.534.357.246	*Adjustment of Employee Benefit*
Penyisihan Piutang Ragu-ragu	335.650.358	20.629.425	356.279.783	47.535.087	403.814.870	*Impairment of Receivables*
Penyisihan Persediaan	484.284.216	529.794.762	1.014.078.978	458.839.112	1.472.918.090	*Impairment of Inventories*
Jumlah Aset Pajak Tangguhan	**14.446.956.625**	**3.427.099.596**	**17.874.056.221**	**4.212.772.294**	**22.086.828.515**	***Total Deferred Tax Asset***

10. BIAYA DIBAYAR DIMUKA

10. PREPAID EXPENSES

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Asuransi	2.744.307.875	4.220.466.002	1.273.292.217	*Insurances*
Sewa	7.418.819.000	546.950.000	317.308.050	*Rents*
Jumlah	**10.163.126.875**	**4.767.416.002**	**1.590.600.267**	***Total***
Asuransi dibayar dimuka terdiri dari :				*Prepaid insurance consist of :*
Asuransi karyawan	344.558.500	320.838.833	292.416.667	*Employee insurance*
Asuransi Komisaris dan Direksi	-	1.756.312.500	-	*Commissioners and Directors insurances*
Asuransi persediaan	72.963.510	33.696.853	29.702.824	*Inventories insurance*
Asuransi kebakaran bangunan dan aset tetap didalamnya	2.286.636.948	2.066.982.403	911.371.787	*Fire of buildings and related fixed assets*
Asuransi kendaraan	40.148.917	42.635.413	39.800.939	*Vehicle insurance*
	2.744.307.875	4.220.466.002	1.273.292.217	

Asuransi dibayar dimuka tersebut merupakan asuransi kepada PT Asuransi Jiwasraya (Persero), PT Asuransi Parolamas, PT Asuransi Bumiputera Muda dan PT Asuransi Jasa Indonesia (Persero).

Saldo Sewa dibayar dimuka per 31 Desember 2015 terutama berasal dari sewa lahan Barang Milik Negara (BMN) aset eks BPPN di Jasinga Bogor sebesar Rp20.821.344.000 untuk jangka waktu selama 3 tahun. Perusahaan menggunakan tanah yang saat ini masih dalam proses PMN tersebut sebagai persiapan rencana pengembangan bisnis perusahaan ke arah *life science.* Saat ini dilakukan kegiatan CSR sebagai jaring pengaman sosial seperti *access to medicine* dan pengolahan air bersih, sehingga masyarakat dan pemerintah daerah setempat dapat menerima keberadaan PT Bio Farma (Persero). Lihat catatan 15.

These prepaid insurances represent insurance premiums paid in advance to PT Asuransi Jiwasraya (Persero), PT Asuransi Parolamas, PT Asuransi Bumiputera Muda and PT Asuransi Jasa Indonesia (Persero).

The balance of prepaid rent as of December 31,2015 particularly deals with rental cost of Government-owned land (BMN) ex. BPPN at Jasinga Bogor. The rental cost is of Rp20.821.344.000 for three years. The Company uses the land, which is in the process to be the Goverment investment in the Company, to prepare its business development plan toward life science. Currently, at this location the Company performs CSR activities as social safety net such as access to medicine and processing clean water, with the result that the local Government and its society accept the existence of the Company. See Note 15.

11. PENDAPATAN YANG MASIH AKAN DITERIMA / *11. ACCRUED INCOME*

	31 Desember 2015 / *December 31, 2015*	31 Desember 2014 / *December 31, 2014*	1 Januari 2014 / *January 1, 2014*	
Bunga Deposito	1.591.887.435	2.112.760.234	1.907.882.903	*Interests on Time Deposits*
Jasa Registrasi Vaksin	-	562.624.095	929.697.595	*Vaccine Registration Fees*
Lainnya	-	50.312.500	266.321.000	*Others*
Jumlah	**1.591.887.435**	**2.725.696.829**	**3.103.901.498**	***Total***

12. ASET LANCAR LAINNYA / *12. OTHER CURRENT ASSETS*

	31 Desember 2015 / *December 31, 2015*	31 Desember 2014 / *December 31, 2014*	1 Januari 2014 / *January 1, 2014*	
Persediaan dalam Perjalanan	19.527.456.058	3.698.169.935	6.140.613.770	*Inventories in Transit*
Persediaan dalam Karantina	89.150.074.099	15.683.892.268	11.729.838.814	*Inventories in Quarantine*
Persediaan Dalam Proses Penggantian	3.210.439.963	11.315.936.868	-	*Inventories in Exchange Process*
Jumlah	**111.887.970.120**	**30.697.999.071**	**17.870.452.584**	***Total***

Saldo persediaan dalam perjalanan per 31 Desember 2015 merupakan pembelian Impor yang masuk dalam kategori persediaan dalam perjalanan karena pada tanggal tesebut posisinya masih berada di pelabuhan (Lihat Catatan 2i).

Inventory in transit as of December 31, 2015 represents imported goods that included in category of inventoy in transit because at that date they are still at the Port (See Note 2i).

Persediaan dalam perjalanan per 31 Desember 2015 terdiri dari: / *Inventories in transit as of December 31, 2015 consist of :*

Pembelian Impor 5 ml Blow Back Vial	3.957.271.718	*Import purchase of 5 ml Blow Back Vial*
Pembelian Impor 2 ml, 6 ml, 10 ml Vial clear	4.574.915.286	*Import purchase of 2 ml, 6 ml, 10 ml Vial clear*
Pembelian Impor CS 40 With Ucaps	4.393.763.326	*Import purchase of CS 40 With Ucaps*
Pembelian Impor CF 40 Sterile	2.296.724.872	*Import purchase of CF 40 Sterile*
Pembelian Impor Uniject 0,5 ml	4.304.780.855	*Import purchase of Uniject 0,5 ml*
	19.527.456.058	

Persediaan dalam karantina berasal dari pembelian bahan baku vaksin dan sera dan bahan perkemasan yang masih dalam status karantina karena sedang dalam proses pengujian. (Lihat Catatan 2i)

Inventories in quarantine are purchased raw materials for Vaccine and Sera and packing materials that are in quarantine for testing process. (See Note 2i)

Persediaan dalam proses penggantian per 31 Desember 2015 merupakan persediaan alat kedokteran sebesar Rp2.048.891.255 dan persediaan bahan kemasan dan kimia sebesar Rp1.161.548.708 yang tidak lulus uji, dan akan diganti seluruhnya oleh *supplier* sesuai dengan perjanjian.

Inventory in exchange process as of December 31, 2015 represents the inventory of medical equipments amounted to Rp2.048.891.255 and inventory of packing materials and chemicals of Rp1.161.548.708 that did not pass the test, and, according to the agreement, they will be changed entirely by the supplier.

13. ASET TETAP / *13. PROPERTY, PLANT AND EQUIPMENT*

	2015					
	Saldo Awal / *Beginning Balance*	Penambahan / *Addition*	Pengurangan / *Deduction*	Reklasifikasi / *Reclassification*	Saldo Akhir / *Ending Balance*	
Biaya Perolehan						*Acquisition Cost*
Tanah	17.139.884.957	2.042.043.115.043	-	-	2.059.183.000.000	*Land*
Bangunan	496.256.176.491	-	6.396.367.511	59.258.593.162	549.118.382.142	*Building*
Bangunan Tidak Permanen	7.025.662.307	172.606.890	165.318.098	1.516.685.460	8.549.636.559	*Building - Non-permanent*
Rumah Dinas	1.956.000	-	-	-	1.956.000	*Official Housing*
Inventaris Mesin	405.886.459.047	9.167.690.000	191.912.558	10.069.733.112	424.931.969.601	*Machineries*
Inventaris Utility	67.353.504.185	1.428.735.000	165.617.240	1.702.000.000	70.318.621.945	*Utilities*
Inventaris Pabrik	670.164.657.930	65.804.992.330	924.193.547	26.859.688.407	761.905.145.120	*Factory Equipment*
Inventaris Kantor	-	-	-	-	-	*Office Equipment:*
Kelompok I	55.929.844.729	8.529.711.390	1.073.056.923	15.662.284.120	79.048.781.315	*Group I*
Kelompok II	23.359.577.894	1.725.436.070	407.846.483	7.121.859.040	31.799.026.522	*Group II*
Kendaraan	5.209.520.100	383.600.000	922.230.100	-	4.670.890.000	*Vehicles*
Aset Dalam Penyelesaian	-	-	-	-	-	*Assets in Construction*
Bangunan	75.539.261.716	226.288.618.853	-	(60.775.278.622)	241.052.601.947	*Building*
Mesin Pabrik, Utility	62.566.134.126	218.820.952.043	-	(61.415.564.680)	219.971.521.489	*Factory Equipment, Utility*
Jumlah	1.886.432.639.481	2.574.365.457.829	10.246.564.460	-	4.450.551.532.839	*Total*

13. ASET TETAP (lanjutan) / 13. PROPERTY, PLANT AND EQUIPMENT (continued)

	2015					
	Saldo Awal *Beginning Balance*	Penambahan *Addition*	Pengurangan *Deduction*	Reklasifikasi *Reclassification*	Saldo Akhir *Ending Balance*	
Jumlah pindahan	1.886.432.639.481	2.574.385.457.620	10.246.564.460	-	4.450.551.532.639	
Akumulasi Penyusutan						*Accumulated Depreciation*
Bangunan	120.619.973.418	27.025.894.009	2.874.907.181	-	144.770.960.246	*Building*
Bangunan Tidak Permanen	2.785.169.876	779.652.692	50.549.953	-	3.514.272.615	*Building - Non-permanent*
Rumah Dinas	1.955.998	-	-	-	1.955.998	*Official Housing*
Inventaris Mesin	174.516.613.478	29.788.959.693	191.912.553	-	204.113.660.618	*Machineries*
Inventaris Utility	29.440.544.079	4.926.593.655	165.617.238	-	34.201.520.496	*Utilities*
Inventaris Pabrik	334.702.742.578	49.828.338.267	739.152.900	-	383.791.925.885	*Factory Equipment*
Inventaris Kantor	-	-	-	-	-	*Office Equipment:*
Kelompok I	42.373.259.372	12.108.029.506	1.072.260.306	-	53.409.028.571	*Group I*
Kelompok II	14.981.575.851	2.925.888.985	398.466.941	-	17.508.997.895	*Group II*
Kendaraan	3.537.559.855	1.086.868.580	922.230.089	-	3.702.198.345	*Vehicles*
Jumlah	722.959.394.505	128.470.221.327	6.415.097.161	-	845.014.518.670	*Total*
Nilai Tercatat	**1.163.473.244.976**	-	-	-	**3.605.537.013.968**	*Carrying Value*

	2014					
	Saldo Awal *Beginning Balance*	Penambahan *Addition*	Pengurangan *Deduction*	Reklasifikasi *Reclassification*	Saldo Akhir *Ending Balance*	
Biaya Perolehan						*Acquisition Cost*
Tanah	17.181.840.772	-	41.955.815	-	17.139.884.957	*Land*
Bangunan	407.550.963.298	-	-	88.705.213.193	496.256.176.491	*Building*
Bangunan Tidak Permanen	6.269.685.436	-	-	755.976.870	7.025.662.307	*Building - Non-permanent*
Rumah Dinas	1.956.000	-	-	-	1.956.000	*Official Housing*
Inventaris Mesin	386.557.475.668	18.390.383.379	-	938.600.000	405.886.459.047	*Machineries*
Inventaris Utility	55.897.339.865	730.637.300	-	10.725.327.000	67.353.504.165	*Utilities*
Inventaris Pabrik	610.207.624.298	33.774.263.030	-	26.182.770.602	670.164.657.930	*Factory Equipment*
Inventaris Kantor	-	-	-	-	-	*Office Equipment*
Kelompok I	46.413.524.805	575.573.064	-	8.940.746.840	55.929.844.729	*Group I*
Kelompok II	18.690.233.119	69.894.000	-	4.599.450.774	23.359.577.894	*Group II*
Kendaraan	4.459.520.100	750.000.000	-	-	5.209.520.100	*Vehicles*
Aset Dalam Penyelesaian	-	-	-	-	-	*Assets in Construction*
Bangunan	125.108.452.330	40.563.999.449	-	(90.151.190.063)	75.539.261.716	*Building*
Mesin Pabrik, Utility	53.549.452.764	64.960.629.427	-	(55.943.948.065)	62.566.134.126	*Factory Equipment, Utility*
Jumlah	1.731.866.068.474	159.835.579.669	41.955.815	-	1.886.432.639.481	*Total*
Akumulasi Penyusutan						*Accumulated Depreciation*
Bangunan	96.664.719.308	23.955.254.110	-	-	120.619.973.418	*Building*
Bangunan Tidak Permanen	2.150.933.420	634.236.456	-	-	2.785.169.876	*Building - Non-permanent*
Rumah Dinas	1.955.998	-	-	-	1.955.998	*Official Housing*
Inventaris Mesin	142.446.638.962	32.069.974.516	-	-	174.516.613.478	*Machineries*
Inventaris Utility	24.870.063.479	4.570.480.600	-	-	29.440.544.079	*Utilities*
Inventaris Pabrik	289.835.940.544	44.866.802.034	-	-	334.702.742.578	*Factory Equipment*
Inventaris Kantor						*Office Equipment*
Kelompok I	33.645.679.021	8.727.580.351	-	-	42.373.259.372	*Group I*
Kelompok II	13.022.122.572	1.959.453.279	-	-	14.981.575.851	*Group II*
Kendaraan	3.162.536.252	375.023.603	-	-	3.537.559.855	*Vehicles*
Jumlah	605.800.589.556	117.158.804.948	-	-	722.959.394.505	*Total*
Nilai Tercatat	**1.126.065.478.917**				**1.163.473.244.976**	*Carrying Value*

13. ASET TETAP (lanjutan) / ***13. PROPERTY, PLANT AND EQUIPMENT (continued)***

Rincian Aset Dalam Pelaksanaan : / *Details of Assets in Construction*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Bangunan				*Buildings*
Gedung Produksi Vaksin dan Pengemasan	114.640.811.657	10.897.625.650	10.884.575.650	*Vaccine Production and Packaging*
Renovasi Gedung Distribusi	49.093.263.181	786.000.000	74.000.000	*Renovation of Distribution Building*
Renovasi Gedung Utama	41.638.610.004	985.510.000	-	*Renovation of Main Building*
Bak Sentral Air Baku	15.823.046.636	404.483.000	404.483.000	*Liquid Central Tub*
Ruangan Trafo	6.032.399.140	200.000.000	-	*Voltage Regulator Room*
Gedung Adm II	-	54.037.408.551	22.852.074.088	*Administration Building II*
Gedung Sentral Lab	7.674.611.500	6.518.089.000	1.980.199.000	*Lab Central Building*
Gedung Publik II	-	-	71.632.530.680	*Public Building II*
Perluasan Bangunan Ruang Penyimpanan Freezer		-	15.154.379.924	*Building Extension of Freezer Room*
Lainnya (di bawah Rp 1 Milyar)	6.149.859.829	1.710.145.515	2.124.209.987	*Others (under Rp1 billion)*
Jumlah	241.052.601.947	75.539.261.716	125.106.452.330	Total
Mesin, Pabrik dan Utility Dalam Pelaksanaan				*Machinery, Factory and Utility in Construction*
ERS BCG Filling Line	67.850.959.363	-	-	*ERS BCG Filling Line*
Water Treatment Plant	54.203.823.960	-	-	*Water Treatment Plant*
Utility - LIstrik Gedung Vaksin dan Pengemasan	43.441.116.926	-	-	*Utility - Electricity of Vaccine and Packaging*
Packaging Line	21.009.883.508	-	-	*Packaging Line*
URS SIPV	1.568.756.550	-	-	*URS SIPV*
Pekerjaan Interior Gedung Administrasi II	-	14.963.634.072	-	*Interior Work of Admnimistration Building II*
Vial Ampoule Packaging Line	14.482.911.884	13.276.234.084	-	*Vial Ampoule Packaging Line*
Bio Reactor 150L	-	4.924.906.112	-	*Bio Reactor 150L*
Autoclave	4.477.507.901	4.477.507.901	-	*Autoclave*
Overhoul Mesin Washing Gilowy	-	3.797.857.000	3.797.857.000	*Overhaul of Washing Gilowy Machine*
Overhoul Autoclave Sakura	-	2.673.440.000	5.346.880.000	*Overhaul of Autoclace Sakura*
Kompressor Udara	2.500.000.000	2.500.000.000	2.500.000.000	*Air Compressor*
Mesin Boiler	1.985.500.000	1.985.500.000	1.567.500.000	*Boiler machine*
Furniture Gedung Pakarti	-	1.786.813.200	-	*Furnitures of Pakarti Building*
Aset Pabrik/ Mesin/ Utility/ Kantor Eks. IHU	1.662.238.625	1.662.238.625	1.662.238.625	*Factory Assets/Machines Utility/Ex. IHU Office*
Kompressor Udara	1.498.055.000	1.498.055.000	1.340.365.000	*Air Compressor*
Perbaikan Water Chiller	-	1.317.536.000	1.317.536.000	*Water Chiler*
HPLC	-	1.149.750.000	-	*HPLC*
FFF URS Documents	1.063.601.200	1.063.601.200	550.942.800	*FFF URS Documents*
Rekondisi Autoclave	-	916.300.000	916.300.000	*Recondition of Autoclave*
Boiler	367.536.000	367.536.000	-	*Boiler*
Kompressor Udara	-	10.340.000	-	*Air Compressor*
Overhoul Mesin Filling Bosch, Washing, Mesin Capping, Mesin Tunnel/ FPVS	-	-	2.676.878.000	*Overhaul of Filing Bosch, Washing, Capping, Tunnel/FPVS Machines*
GE 71413 ARC-2 EU Sterilizer-Getinge	-	-	4.876.772.089	*GE 71413 ARC-2 EU Sterilizer-Getinge*
Biostat C Plus 30 L-Sartorius	-	-	4.180.227.245	*Biostat C Plus 30 L-Sartorius*
Jalur Pipa, kabel, Kill Tank dll	-	-	3.997.500.000	*Pipe Lines, Cable, Kill Tank etc*
Retrofit System Control	-	-	3.249.382.500	*Retrofit System Control*
Panel Distribusi Utama Genset	-	-	3.151.742.000	*Main Distribution Panel Genset*
Pure Steam Generator-Stilmas	-	-	3.099.627.741	*Pure Steam Generator-Stilmas*
Lainnya	3.859.630.573	4.194.884.932	9.317.703.764	*Others*
Jumlah	219.971.521.489	62.566.134.126	53.549.452.764	*Total*

Pada bulan Desember 2015, Perusahaan mengubah kebijakan untuk pengukuran aset tetap tanah yang semula diukur berdasarkan model biaya menjadi model revaluasi dengan nilai semula sebesar Rp17.139.884.957 menjadi sebesar Rp2.059.183.000.000.

On December, 2015 the Company changed the measurement policy for its land. The land, which was previously measured based on cost model with the carrying value of Rp17.139.884.957, was changed to be measured by revaluation model with the value of Rp2.059.183.000.000.

13. ASET TETAP (lanjutan)

Selisih antara nilai tercatat dan nilai revaluasi (nilai wajar) setelah dikurangi pajak terkait diakui sebagai surplus revaluasi aset tetap di kelompok penghasilan komprehensif lain. Aset tanah yang direvaluasi meliputi tanah yang berlokasi di Jalan Pasteur Nomor 28 dan jalan Kolonel Masturi Cisarua. Penilaian dilakukan oleh Kantor Jasa Penilai Publik Karmanto dan Rekan dengan laporan Nomor 256-A/KMT&R-LP/XII/2015 dan Nomor 256-B/KMT&R-LP/XII/2015 tanggal 17 Desember 2015.

Dampak pajak dari revaluasi aset sebesar 3% sesuai Peraturan Menteri Keuangan Nomor 191/PMK.010/2015 senilai Rp61.261.293.451 telah disetorkan ke Kas Negara.

Pada tahun 2009 Perusahaan menyediakan lahan untuk digunakan sebagai fasilitas vaksin flu burung oleh Departemen Kesehatan RI. Lahan tersebut berlokasi di Desa Kertawangi Kecamatan Cisarua Kabupaten Bandung Barat seluas 5.145 m^2 dan di Jalan Pasteur seluas 3.953 m^2. Sejak tahun 2011 proyek tersebut terhenti dan sampai dengan tanggal laporan ini lahan tersebut masih tertutup dan belum dapat digunakan oleh Perusahaan.

Sebagian aset tetap yang terdiri dari mesin, inventaris dan peralatan pabrik yang berlokasi di JI. Pasteur No.28 Bandung senilai Rp.80.500.000.000 dijadikan jaminan fidusia atas fasilitas kredit dari Lembaga Pembiayaan Ekspor Indonesia (LPEI) berdasarkan Surat Persetujuan Perpanjangan Fasilitas Pembiayaan (SPPFP) No.PBD/SP3/ 45/2015 tanggal 15 Juni 2015 dan Perubahan Perjanjian Kredit Modal Kerja Ekspor No.162/ADDPK/06/2015 tanggal 23 Juni 2015 untuk perpanjangan jangka waktu kredit sampai dengan 24 Juni 2016.

Sebagian inventaris mesin yang berlokasi di Jl. Pasteur No.28 Bandung senilai Rp135.000.000.000 juga dijadikan jaminan atas fasilitas *non cash loan* yang terdiri dari penerbitan *LC Import (sight, usance & UPAS*); *treasury line* ; dan *bills purchasing line* dari PT Bank Mandiri (Persero) Tbk berdasarkan Surat Penawaran Pemberian Kredit (SPPK) No. CBG.CB3/SPPK.035/2015 tanggal 16 Agustus 2015 dengan jangka waktu satu tahun dari 15 Agustus 2015 sampai dengan 14 Agustus 2016.

Aset tetap kecuali tanah, telah diasuransikan pada PT Asuransi Parolamas, PT Asuransi Bumiputera Muda dan PT Asuransi Jasa Indonesia (Persero) terhadap risiko kebakaran dan risiko lainnya kecuali gempa bumi berdasarkan suatu paket polis tertentu dengan nilai pertanggungan sebesar Rp1.615.330.118.410 pada 31 Desember 2015 dan 2014.

Kendaraan telah diasuransikan terhadap risiko *All Risk* dan *Total Loss Only* (TLO) kepada PT Asuransi Parolamas dan PT Bumiputera Muda 1967 dengan total nilai pertanggungan sebesar Rp3.395.039.000 pada 31 tanggal Desember 2015 dan 2014. Manajemen berkeyakinan bahwa nilai pertanggungan asuransi cukup untuk menutup kerugian yang mungkin timbul atas risiko kebakaran dan lainnya.

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The difference between the carrying value and revaluation value (fair value) after deducted with related tax is recognized as revaluation surplus in other comprehensive income section. The land that was revaluated comprise land located at Jalan Pasteur No.28 and Jalan Kolonel Masturi, Cisarua. Valuation of the assets was carried out by Kantor Jasa Penilai Publik Karmanto dan Rekan with his report No.256-A/KMT&R-LP/XII/2015 and No.256-B/KMT&R-LP/XII/2015 dated December 17, 2015.

Tax impact of the asset revaluation of 3%, in accordance with the Finance Minister Regulation Number 191/PMK.010/ 2015, or Rp61.261.293.451 has been deposited to the Government Treaasury account.

In 2009 the Company provided certain areas on its owned lands for use by the Miistry of Health of the Republic of Indonesia to build bird flu vaccine facilities . The areas located at Kertawangi, Cisarua, District of West Bandung in the area of 5,145 m^2 and at Jalan Pasteur of 3,953 m^2. Since 2011 the project has been suspended, and until this reporting date the areas are roped off and have not used by the Company.

Several property, plant and equipment consist of machinery, office and manufacture equipments located at Jalan Pasteur No.28 Bandung with carrying amount of Rp80.500.000.000 have been pledged as fiduciary collateral for credit facility from an export financing agency named the Lembaga Pembiayaan Ekspor Indonesia (LPEI) based on the Letter of Approval for Extendec Financing Facility (SPPFP) No.PBD/SP3/45/ 2015 dated June 15, 2015 and Amendment of Export Working Capital Loan Agreement No.162/ADDPK/ 06/2015 dated June 23, 2015 for the extension of loan period until June 24, 2016.

Other machinery equipments located at Jl. Pasteur 28 Bandung with carrying amount of Rp 135.000.000.000 have also been pledged for non-cash loan facilities which consist of the issuance of Import LC (sight, usance & UPAS); treasury line; and bills purchasing line from PT Bank Mandiri (Persero) Tbk based on Letter of Credit Offering (SPPK) No.IBG.IB1/ SPPK.027/2014 dated August 16, 2015 for one year from August 15, 2015 until August 14, 2016.

Property, plant and equipment, except land, have been insured against fire and other risks, unless the earthquake, from PT Asuransi Parolamas, PT Asuransi Bumiputera Muda and PT Asuransi Jasa Indonesia (Persero) under certain blanket policies with coverage value of Rp1.615.330.118.410 at December 31, 2015 and 2014.

Vehicles have been insured against All Risks and Total Loss Only (TLO) from PT Asuransi Parolamas and PT Bumiputera Muda 1967 with coverage value of Rp3.395.039.000 at December 31, 2015 and 2014. Management believes that the insurance coverage is adequate to cover potential losses from fire and other risks.

13. ASET TETAP (lanjutan)

Beban penyusutan aset tetap tahun 2015 dan 2014 dialokasikan sebagai berikut :

	2015	2014	
Beban Produksi	91.252.162.057	88.620.608.520	*Production Expense*
Beban Jasa	228.728.122	218.033.938	*Service Expense*
Administrasi dan Umum	19.648.209.985	13.047.674.175	*Genaral and Administration*
Penjualan	1.794.042.048	546.885.021	*Selling*
Penelitian, Pengembangan dan Surveilans	15.547.079.115	14.725.288.243	*Research, Development, and Surveilance*
Jumlah	**128.470.221.326**	**117.158.489.896**	***Total***

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expenses of property, plant and equipment for 2015 and 2014 were alocated to as follows:

14. ASET TAKBERWUJUD

14. INTANGIBLE ASSETS

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Perangkat Lunak	30.065.551.789	29.629.901.789	2.478.571.070	*Software*
Dikurangi :				*Less :*
Akumulasi Amortisasi Perangkat Lunak	(11.358.121.029)	(4.392.006.950)	(2.029.191.105)	*Accumulated Amortization of Software*
Jumlah	18.707.430.760	25.237.894.839	449.379.965	Total
Pengembangan *Upstream* Vaksin Flu Dalam Penyelesaian	13.677.686.708	12.338.806.708	10.791.097.460	*Development of Upstream Flu Vaccine in progress*
Perangkat Lunak Dalam Penyelesaian	3.619.902.095	278.760.500	8.973.869.373	*Software in Progress*
Jumlah	**36.005.019.563**	**37.855.462.048**	**20.214.346.797**	***Total***

Perangkat Lunak terdiri dari :

Software consits of :

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Sistem ERP	8.968.652.000	8.968.652.000	-	*ERP System*
EBR System Pertusis	7.688.377.223	7.688.377.223	-	*EBR System Pertusis*
EBR System PV.Hib	7.999.822.746	7.999.822.746	-	*EBR System PV.Hib*
Matrix LIMS Gemini	1.285.678.750	1.285.678.750	-	*Matrix LIMS Gemini*
Lainnya (di bawah Rp 1 Milyar)	4.123.021.070	3.687.371.070	2.478.571.070	*Others (less than Rp1 billion)*
Jumlah	30.065.551.789	29.629.901.789	2.478.571.070	***Total***

Biaya pengembangan *Upstream* Vaksin Flu dicatat sebagai aset takberwujud sesuai Nota Dinas No.09698/XII/2009 tanggal 21 Desember 2009. Biaya ini merupakan biaya yang terkait dengan penerapan temuan riset atau pengetahuan produksi vaksin flu yang berbasis telur dari penyiapan telur, pembuatan *bulk*, uji klinis sampai registrasi dari produk tersebut.

Biaya pengembangan u*pstream v*aksin flu dalam penyelesaian per 31 Desember 2015 sebesar Rp13.677.686.708 merupakan biaya yang terkait dengan transfer teknologi *upstream* flu dengan BIKEN - Jepang yang meliputi aktivitas pengembangan vaksin flu pada skala pilot (5000 telur), optimalisasi proses produksi pada skala pilot untuk menghasilkan *yield* (hasil) yang ekonomis, produksi *preclinical lot*, uji pra klinis (uji *immunogenisitas* pada hewan coba mencit), hingga produksi *clinical lot* untuk vaksin flu prepandemik dan uji tantang (*challenge study*) pada hewan uji ferret. Tahapan selanjutnya yang akan dilaksanakan mulai tahun 2016 untuk vaksin flu (pre-pandemik) meliputi uji tantang (challenge study) pada hewan uji ferret, produksi down stream clinical lot pada proses formulasi filling dan uji klinis fase 1.

Cost of development of Upstream Flu Vaccines is recorded as intangible assets in accordance with the Office Memo No.09698/XII/ 2009 dated December 21, 2009. This cost represents cost incurred related to the application of research findings or egg-based production knowledge of flu vaccine from egg preparation, bulk manufacture, clinical trials, to registration of the product.

Cost of development of upstream flu vaccine in progress as of December 31, 2015 amounting to Rp13.677.686.708 represents costs related to transfer of upstream flu technology from Biken - Japan that include activities of flu vaccine development at a pilot scale (5000 eggs), optimalization of production process at the pilot scale to meet economic yields, preclinical production lots, pre-clinical trials (immunogenicity trials at experimental mice animals), until production of clinical lots for prepandemic flu vaccine and challenge study at experimental ferret animals. The next steps of prepandemic flu vaccine that will be conducted in 2016 include challenge study at experimental ferret animals, production of down stream clinical lots at filling formulation process and phase 1 of clinical trials.

14. ASET TAKBERWUJUD (lanjutan)

Uji klinis fase 2 dan 3 serta lisensi/registrasi produk ke BPOM diharapkan dapat diselesaikan hingga tahun 2017.

Biaya pengembangan *Upstream* Vaksin Flu ini akan diamortisasi dengan metode garis lurus selama masa manfaat 8 (delapan) tahun sejak vaksin tersebut diproduksi secara komersial.

14. INTANGIBLE ASSETS (continued)

Phase 2 and 3 of clinical trials and licence/ registration of the product to BPOM can be completed on year of 2017.

Cost of development of upstream flu vaccine will be amortized based on a straight-line basis over its economic benefits of 8 (eight) years since the vaccines are produced commercially.

15. ASET TIDAK LANCAR LAINNYA / ***15. OTHER NON-CURRENT ASSETS***

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Beban Tangguhan	9.024.791.000	1.746.200.000	1.746.200.000	*Deferred Charge*
Dikurangi: Akumulasi Amortisasi	(2.049.474.625)	(1.673.441.667)	(1.236.891.667)	*Less: Accumulated Amortization*
Jumlah Beban Tangguhan Bersih	6.975.316.375	72.758.333	509.308.333	*Total Deferred Charges - Net*
Sewa Dibayar Dimuka	10.989.042.667	-	-	*Prepaid Rent*
Setoran Jaminan	3.288.940.496	693.565.496	446.965.496	*Guarantee Deposits*
Jumlah Aset Tidak Lancar Lainnya	**21.253.299.538**	**766.323.829**	**956.273.829**	***Total Other Non-Current Assets***

Beban tangguhan merupakan biaya sistem jaringan listrik PLN ditangguhkan yang diamortisasi selama 4 tahun.

Saldo sewa dibayar dimuka per 31 Desember 2015 terutama berasal dari bagian tidak lancar sewa dibayar dimuka lahan BMN eks BPPN di Jasinga Bogor sebesar Rp20.821.344.000 untuk jangka waktu selama 3 tahun. (lihat catatan 10)

Setoran jaminan merupakan jaminan yang diberikan untuk penambahan daya listrik, sewa gedung Pakarti Center (Kantor Perwakilan Perusahaan) dan jaminan gas elpiji.

Deferred charge represents cost of installation of PLN electricity system which were deferred and amortized over 4 years.

Balance of prepaid rent as of December 31, 2015 is a non-current section of rental BMN land ex.BPPN at Jasinga, Bogor amount to Rp20.821.344.000 for three years (see note 10).

Guarantee deposits represent deposits provided for additional electric power, rental of Pakarti Center Building (Directors' Representative Office) and LPG.

16. UTANG USAHA / ***16. TRADE PAYABLES***

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Pihak Berelasi				*Related Parties*
Bahan Baku/Penolong	7.729.733.346	16.779.441.245	9.097.869.064	*Raw Materials/Auxiliary*
Investasi	7.206.226.224	7.306.439.174	16.452.369.762	*Investment*
Pengadaan Jasa	-	1.440.000.000	-	*Services*
	14.935.959.570	25.525.880.419	25.550.238.826	
Pihak Ketiga				Third Parties
Bahan Baku/Penolong	156.071.710.697	89.798.047.347	96.077.395.258	*Raw Materials/Auxiliary*
Investasi	31.238.122.285	26.967.757.215	32.401.351.627	*Investment*
Pengadaan Jasa	6.352.307.027	2.803.300.827	4.069.248.243	*Services*
	193.662.140.009	119.569.105.389	132.547.995.127	
Jumlah Utang Usaha	**208.598.099.578**	**145.094.985.807**	**158.098.233.953**	***Total Trade Payables***

Rincian Pihak Berelasi / *Details of Related Parties*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Bahan Baku/Penolong				*Raw Materials/Auxiliary*
Koperasi Karyawan Bio Farma (K2BF)	5.950.337.455	14.297.577.296	6.430.251.889	*Koperasi Karyawan Bio Farma (K2BF)*
CV Karya Cahya Abadi	1.180.481.303	2.071.539.658	1.620.925.585	*CV Karya Cahya Abadi*
PT Kimia Farma (Persero) Tbk.	419.689.563	410.324.291	1.046.691.590	*PT Kimia Farma (Persero) Tbk*
PT Wijaya Karya (Persero) Tbk.	179.225.025	-	-	*PT Wijaya Karya (Persero) Tbk*
Jumlah	7.729.733.346	16.779.441.245	9.097.869.064	*Total*

16. UTANG USAHA (lanjutan) / *16. TRADE PAYABLES (continued)*

Rincian Pihak Berelasi (lanjutan) / *Details of Related Parties (continued)*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Investasi				*Investasi*
PT Pembangunan Perumahan (Persero)	4.392.144.317	-	4.136.589.807	*PT Pembangunan Perumahan (Persero)*
Koperasi Karyawan Bio Farma (K2BF)	2.224.238.750	4.098.982.300	2.908.876.650	*Koperasi Karyawan Bio Farma (K2BF)*
PT Wijaya Karya (Persero) Tbk.	589.843.157		-	*PT Wijaya Karya (Persero) Tbk.*
PT Adhi Karya (Persero) Tbk.	-	2.189.372.274	9.171.083.655	*PT Adhi Karya (Persero) Tbk.*
CV Karya Cahya Abadi	-	1.018.084.600	235.819.650	*CV Karya Cahya Abadi*
Jumlah	7.206.226.224	7.306.439.174	16.452.369.762	*Total*
Pengadaan Jasa	-	1.440.000.000	-	*Services*

Rincian Pihak Ketiga / *Details of Third Parties*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Bahan Baku/Penolong				*Raw Materials/Auxiliary*
Rupiah				*Rupiah*
CV Sinar Gemilang	12.685.972.060	6.216.959.210	4.039.419.453	*CV Sinar Gemilang*
CV Surya Tehnik	4.912.316.500	1.453.280.250	531.625.000	*CV Surya Tehnik*
PT Universal	4.340.102.800	548.807.985	238.963.000	*PT Universal*
PT Schott Igar Glass	4.033.431.708	1.480.094.300	3.315.782.440	*PT Schott Igar Glass*
Bogor Life Science and Technology	3.087.750.000	776.250.000	276.000.000	*Bogor Life Science and Technology*
PT Alere Health	2.849.883.000	1.259.600.000	3.299.256.000	*PT Alere Health*
CV Maju Makmur	2.785.867.000	832.000.300	16.730.450	*CV Maju Makmur*
PT Global Satria Aji	2.348.480.092	3.078.681.345	2.434.932.750	*PT Global Satria Aji*
PT Sabil Huda Utama	2.152.622.537	-	-	*PT Sabil Huda Utama*
CV EMS	1.909.538.870	2.693.427.500	977.060.000	*CV EMS*
CV Brata Jaya	1.532.807.180	1.011.289.300	463.152.618	*CV Brata Jaya*
CV Tiara Utama	1.504.376.185	1.417.615.487	356.859.480	*CV Tiara Utama*
PT Menjangan Sakti	1.414.534.400	2.566.209.360	789.376.800	*PT Menjangan Sakti*
PT Dipa Puspa Labsains	1.390.968.548	1.685.171.779	285.151.450	*PT Dipa Puspa Labsains*
PT Nurtilab Pratama	577.089.810	5.277.761.550	535.116.000	*PT Nurtilab Pratama*
PT Pall Filtration Indonesia	1.185.227.360	4.356.876.540	944.634.214	*PT Pall Filtration Indonesia*
PT Green Medica	463.155.280	1.631.103.670	1.101.248.750	*PT Green Medica*
PT Bakti Mega Lestari	54.140.000	1.462.500.000	-	*PT Bakti Mega Lestari*
PT Media Televisi Indonesia	-	1.380.000.000	-	*PT Media Televisi Indonesia*
PT Cipta Cekas Grafika	876.500.750	1.218.241.360	1.039.953.099	*PT Cipta Cekas Grafika*
CV Pop Grafika	987.100.000	870.710.000	2.673.889.000	*CV Pop Grafika*
CV Aditya Pratama	789.987.340	369.183.470	1.511.092.500	*CV Aditya Pratama*
PT Inquatex Primates	963.200.000	1.049.200.000	275.200.000	*PT Inquatex Primates*
PT Juwana Parahyangan	462.861.500	1.973.845.000	206.002.500	*PT Juwana Parahyangan*
PT Mes Propharma	27.082.275	1.421.206.320	283.125.674	*PT Mes Propharma*
Lainnya (di bawah Rp 1 Milyar)	19.145.612.513	13.600.892.350	10.948.683.917	*Others (di bawah Rp 1 Milyar)*
Jumlah - Rupiah	72.480.607.708	59.630.907.075	36.543.255.095	*Total - Rupiah*
Mata Uang Asing				*Foreign Currencies*
Berna				*Berna*
2015 : USD 4,122,948.00	56.876.067.660			*2015 : USD 4,122,948.00*
2013 : USD 3,271,763.00			39.879.519.207	*2013 : USD 3,271,763.00*
Bio Lab				*Bio Lab*
2015 : USD 710,594	9.802.644.230			*2015 : USD 710,594*
Jangsung				*Jangsung*
2015: USD 615,394.03	8.489.360.644			*2015: USD 615,394.03*
2014 : USD 341,308.80		4.245.881.472		*2014 : USD 341,308.80*
Jumlah dipindahkan	75.168.072.534	4.245.881.472	39.879.519.207	*Carried forward*

16. UTANG USAHA (lanjutan) / ***16. TRADE PAYABLES (continued)***

Rincian Pihak Ketiga (lanjutan) / *Details of Third Parties (continued)*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Jumlah pindahan	75.168.072.534	4.245.881.472	39.879.519.207	*Brought forward*
Staten Serum Institute				*Staten Serum Institute*
2015 : DKK 318,420	4.392.603.900			*2015 : DKK 318,420*
2014 : DKK 777,400		1.579.599.060		*2014 : DKK 777,400*
2013 : DKK 208,647.60			2.543.205.596	*2013 : DKK 208,647.60*
Temptime				*Temptime*
2015 : USD 123,629.32	1.705.466.469			*2015 : USD 123,629.32*
2013 : USD 231.70			2.824.191	*2013 : USD 231.70*
Celeris				*Celeris*
2015 : EUR 56,778.48	855.632.957			*2015 : EUR 56,778.48*
2014 : EUR 122,504.60		1.853.893.963		*2014 : EUR 122,504.60*
2013 : EUR 52,072.80			875.939.481	*2013 : EUR 52,072.80*
Becton Dickinson				*Becton Dickinson*
2015 : USD 31,619.46	436.190.451			*2015 : USD 31,619.46*
2014 : USD 30,142.78		374.976.183		*2014 : USD 30,142.78*
Green Signal (USD 16,900.00)	-	21.023.600.000	-	*Green Signal (USD 16,900.00)*
Wuxi (USD 57,760.00)	-	718.534.400	-	*Wuxi (USD 57,760.00)*
Getinge (USD 517,730.00)	-	-	6.310.610.970	*Getinge (USD 517,730.00)*
Biken (JPY) 53,523,964.00)	-	-	6.217.878.898	*Biken (JPY) 53,523,964.00)*
Marchesini Bio Laboratories				*Marchesini Bio Laboratories*
(USD 109,979.60)	-	-	1.850.015.243	*(USD 109,979.60)*
IMA (USD 123,870.39)	-	-	1.509.856.184	*IMA (USD 123,870.39)*
Lainnya (di bawah Rp 1 Milyar)	1.033.136.678	370.655.193	344.290.393	*Others (less than Rp1 billion)*
Jumlah - Mata Uang Asing	83.591.102.989	30.167.140.272	59.534.140.163	*Total - Foreign Currencies*
Jumlah Bahan Baku/Penolong	156.071.710.697	89.798.047.347	96.077.395.258	*Total Raw Materials/Auxiliaries*
Investasi/Pembelian Aset				*Investment/Acquisition of Assets*
Rupiah				*Rupiah*
PT Sari Jati Adithama	8.774.162.136	-	-	*PT Sari Jati Adithama*
PT Arianto Darmawan	852.000.000	-	-	*PT Arianto Darmawan*
PT Raya Konsult	3.094.469.944	-	-	*PT Raya Konsult*
PT Intraco	2.372.650.000	-	-	*PT Intraco*
PT Trakindo Utama	2.240.000.000	-	-	*PT Trakindo Utama*
PT Chandra Daya Perkasa	2.065.909.091	-	-	*PT Chandra Daya Perkasa*
CV Sinar Gemilang	4.769.322.800	3.589.522.550	7.961.493.750	*CV Sinar Gemilang*
PT Fluida Teknika	938.400.000	1.300.000.000	2.140.977.000	*PT Fluida Teknika*
PT Biotech Maju Sejahtera	595.000.000	1.557.850.000	4.677.741.240	*PT Biotech Maju Sejahtera*
PT Sigma Bimed	505.000.000	2.335.639.650	258.500.000	*PT Sigma Bimed*
PT Bakti Mega Lestari	199.740.000	923.650.000	2.709.900.000	*PT Bakti Mega Lestari*
CV Aditya Pratama	139.490.000	-	1.063.952.500	*CV Aditya Pratama*
PT KromTekindo	-	1.149.750.000	-	*PT KromTekindo*
PT Fajar Mas Murni	69.730.000	1.344.400.000	375.653.000	*PT Fajar Mas Murni*
PT Karya Mentari Seraya	65.557.510	4.406.712.725	-	*PT Karya Mentari Seraya*
CV Catu Daya Perkasa	-	573.750.000	2.829.916.100	*CV Catu Daya Perkasa*
PT Daya Cipta Dianrancana	-	-	151.896.881	*PT Daya Cipta Dianrancana*
Lainnya (di bawah Rp 1 Milyar)	4.375.126.899	9.139.241.833	10.231.321.156	*Others (less than Rp1 billion)*
Jumlah - Rupiah	31.056.558.380	26.320.516.758	32.401.351.627	*Total - Rupiah*
Mata Uang Asing				*Foreign Currencies*
Biott Corporation (JPY 4,460,000.00)	-	464.910.400	-	*Biott Corporation (JPY 4,460,000.00)*
Marchesini (EUR 12,048.30)	181.563.905	182.330.056	-	*Marchesini (EUR 12,048.30)*
Jumlah - Mata Uang Asing	181.563.905	647.240.456	-	*Total - Foreign Currencies*
Jumlah Investasi	31.238.122.285	26.967.757.215	32.401.351.627	*Total Investment*
Pengadaan Jasa				*Services*
Jasa Audit Manajemen dan Riset	1.926.593.839	1.292.900.000	3.873.571.620	*Audit Management and Research*
Biaya Impor	4.425.713.188	1.510.400.827	195.676.623	*Import*
Jumlah Pengadaan Jasa	6.352.307.027	2.803.300.827	4.069.248.243	*Total Services*

17. BIAYA YANG MASIH HARUS DIBAYAR / *17. ACCRUED EXPENSES*

	31 Desember 2015 / *December 31, 2015*	31 Desember 2014 / *December 31, 2014*	1 Januari 2014 / *January 1, 2014*	
Jasa Produksi Karyawan	100.122.000.000	86.705.000.000	78.739.000.000	*Employee Bonus*
Bangunan, Mesin dan Pabrik Dalam Penyelesaian	24.819.174.229	-	-	*Building, Machinery, and Factory Equipment in Progress*
Beban Angkutan dan Embalage	10.324.775.117	2.874.208.270	4.518.581.407	*Freights and Embalage*
Beban Karyawan	11.729.481.207	15.836.708.807	14.209.320.733	*Employee Expenses*
Keagenan Ekspor, Royalti dan Insentif Penjualan	10.485.597.035	11.716.530.647	8.479.320.145	*Export Agencies, Royalies and Sales Incentives*
Promosi, Periklanan dan Monitoring Kualitas Produk	3.699.527.065	-	-	*Promotion, Advertising and Monitoring of Product Quality*
Pemeliharaan dan Perbaikan	3.346.196.797	2.887.314.575	-	*Repair and Maintenance*
Jasa Profesional	1.676.995.600	3.716.194.621	1.747.437.883	*Professional Services*
Beban Kantor	1.079.282.769	2.678.072.559	2.961.955.259	*Office Expenses*
Lainnya (di bawah Rp 1 Milyar)	3.024.653.747	1.865.621.448	2.125.333.728	*Others (less than Rp1 billion)*
Jumlah	**170.307.683.566**	**128.279.650.927**	**112.780.949.155**	***Total***

Jasa produksi karyawan yang masih harus dibayar merupakan pengakuan liabilitas yang diestimasi tahun 2015 dan 2014 masing-masing sebesar 13% dari laba bersih setelah pajak, sesuai Nota Dinas Direksi No. 00200/DIR/I/ 2016 untuk tahun 2015 dan No. 00433/DIR/I/ 2015 untuk tahun 2014.

Accrued employee bonus is the recognition of estimated employee bonus liability which represents 13% of net profit after tax for 2015 and 2014, in acordance with the Directors Memorandum No.00200/DIR/I/2016 for 2015 and No.00433/ DIR/I/2015 for 2014.

18. PENDAPATAN DITERIMA DIMUKA / *18. UNEARNED REVENUE*

	31 Desember 2015 / *December 31, 2015*	31 Desember 2014 / *December 31, 2014*	1 Januari 2014 / *January 1, 2014*	
Swasta Dalam Negeri	45.604.661	41.431.996	160.227.037	*Domestic Private*
Propam	529.728.000	839.482.300	-	*Propam*
Pharnak Vaccine	-	-	335.234.478	*Pharnak Vaccine*
Bionet Asia	-	72.774.000	4.909.587.930	*Bionet Asian*
Servbio	-	29.856.000	-	*Servibio*
Biological Ltd	323.382.390	8.863.500	-	*Biological Ltd*
Zhejiang Med	-	374.004.598	-	*Zhejiang Med*
Jumlah	**898.715.051**	**1.366.412.394**	**5.405.049.445**	***Total***

19. LIABILITAS LANCAR LAINNYA / *19. OTHER CURRENT LIABILITIES*

	31 Desember 2015 / *December 31, 2015*	31 Desember 2014 / *December 31, 2014*	1 Januari 2014 / *January 1, 2014*	
Tantiem	20.324.515.000	17.521.134.000	16.529.371.000	*Management Bonus*
Taksasi Ongkos angkut dan embalage	7.691.035.092	7.523.488.197	9.555.622.801	*Estimated Freights and Embalage*
Titipan Pihak Ketiga	757.910.368	83.444.591	258.252.126	*Third Parties Deposits*
Lainnya	1.567.169.252	880.502.354	93.403.408	*Others*
Jumlah	**30.340.629.712**	**26.008.569.142**	**26.436.649.335**	***Total***

Utang tantiem 31 Desember 2015 merupakan pengakuan liabilitas yang diestimasi berdasarkan prognosa tantiem yang tercantum pada RKAP 2015.

Management bonus liability as of December 31, 2015 represents the recognition of estimated liability based on prognosis as shown in the RKAP 2015.

Taksasi ongkos angkut dan embalage merupakan pengakuan jumlah biaya angkut dan embalage yang diestimasi per 31 Desember 2015, 2014 dan 1 Januari 2014 untuk pengiriman penjualan vaksin kepada Pemerintah.

Freight and embalage liabilities represent the recognition of the amount of estimated liabilities for freights and embarkations expenses as of December 31, 2015 and 2014 and January 1, 2014 due to delivery of selling vaccines to the Government.

20. LIABILITAS DIESTIMASI ATAS IMBALAN PASCA KERJA

Perusahaan menerapkan liabilitas imbalan pasca kerja sesuai dengan PSAK 24 (Revisi 2013). Perusahaan juga mengikutsertakan seluruh karyawan tetap dan kontrak ke dalam program pensiun yang dikelola oleh Dana Pensiun Lembaga Keuangan (DPLK) PT Asuransi Jiwasraya.

Uraian berikut ini merupakan rangkuman perhitungan beban dan liabilitas imbalan pasca kerja karyawan yang diakui pada laporan laba rugi dan penghasilan komprehensif lain dan laporan posisi keuangan. Perhitungan liabilitas imbalan pasca kerja karyawan per 31 Desember 2015 dan 2014 dan 1 Januari 2014 (disajikan kembali), dan beban imbalan pasca kerja untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 (disajikan kembali) dilakukan oleh aktuaris independen PT Katsir Imam Sapto Sejahtera Aktuaria dalam laporannya tanggal 1 Februari 2016 dengan menggunakan metode "*Projected Unit Credit*".

20. ESTIMATED POST EMPLOYMENT BENEFITS LIABILITIES

The Company accounts for post employment benefits liabilities in conformity with PSAK 24 (Revised 2013). In addition, the Company arranges a defined contribution pension plan covering both its permanent and contract employees. The plan is managed by Financial Institutions of Pension Fund (DPLK) PT Asuransi Jiwasraya.

The following information is the summary of computation of post employment benefit expenses and liabilities which were recognized in the statement of profit or loss and other comprehensiive income and the statement of financial position. The amount of estimated post employment benefit liabilities for December 31, 2015 and 2014 and January 1, 2014 (restated) and post employment benefit expenses for the years ended December 31, 2015 and 2014 were computed using "Projected Unit Credit" method by independent actuary of PT Katsir Imam Sapto Sejahtera Aktuaria as mentioned in its report dated February 1, 2016.

Beban Imbalan Pasca Kerja / *Pos Employment Benefit Expense*

	2015	Disajikan Kembali/*Restated* 2014	2013	
Beban Jasa Kini	9.878.758.594	9.080.370.505	6.476.743.015	*Current Service Cost*
Beban Bunga	10.909.448.789	9.284.473.649	5.417.689.783	*Interest Expense*
Beban Jasa lalu - *Non Vested*	-	-	8.079.180.339	*Past Service Cost - Non-Vested*
Pemberhentian	3.216.471.283	4.235.960.874	4.361.692.330	*Retirement*
Jumlah	**24.004.678.666**	**22.600.805.028**	**24.335.305.467**	***Total***

Liabilitas Diestimasi atas Imbalan Pasca Kerja / *Estimated Pos Employment Benefit Liabilities*

	31 Desember 2015 *December 31, 2015*	Disajikan Kembali/*Restated* 31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Saldo Awal Nilai Kini Liabilitas Imbalan Pasca Kerja	136.368.109.865	103.160.818.325	77.395.568.323	*Beginning Balance of Present Value of Post-Employment Liability*
Dampak Perubahan Asumsi Aktuaria	(17.841.900.282)	12.552.956.172	(17.509.477.859)	*Effect of Changes in Actuarial Assumption*
Beban Jasa Kini	9.878.758.594	9.080.370.505	6.476.743.015	*Current Service Cost*
Beban Bunga	10.909.448.789	9.284.473.649	5.417.689.783	*Interest Expense*
Pembayaran GSH	(738.270.946)	(657.251.127)	(1.616.054.670)	*Payment of GSH*
Pembayaran Pensiun	(5.224.344.058)	(6.200.891.390)	(5.290.702.376)	*Payment of Pension*
Laba (Rugi) aktuaria atas kewajiban	18.670.126.158	9.147.633.731	38.287.052.109	*Actuarial Gain (Loss) on Liability*
Saldo Akhir	**152.021.928.119**	**136.368.109.865**	**103.160.818.325**	***Ending Balance***

Perubahan Liabilitas Diestimasi atas Imbalan Pasca Kerja / *Changes in Estimated Post Employment Benefit Liabilities*

	2015	Disajikan Kembali/*Restated* 2014	2013	
Saldo Awal	136.368.109.865	103.160.818.325	41.441.232.110	*Beginning Balance*
Beban Imbalan Pasca Kerja Tahun Berjalan	24.004.678.666	22.600.805.028	24.335.305.467	*Employee Benefit Expense of the Year*
Pembayaran Pensiun	(5.224.344.058)	(6.200.891.390)	(5.290.702.376)	*Payments of Pension*
Pembayaran GSH (sesuai cadangan)	(738.270.946)	(657.251.127)	(1.616.054.670)	*Payments of GSH (reserved)*
Pembayaran GSH (beban langsung)	(3.216.471.283)	(4.235.960.873)	(4.361.692.330)	*Payments of GSH (direct charges)*
Penghasilan Komprehensif Lain	828.225.876	21.700.589.903	48.652.730.124	*Other Comprehensive Income*
Saldo Akhir	**152.021.928.119**	**136.368.109.865**	**103.160.818.325**	***Ending Balance***

20. LIABILITAS DIESTIMASI ATAS IMBALAN PASCA KERJA (lanjutan) / *20. ESTIMATED POST EMPLOYMENT BENEFITS LIABILITIES (continued)*

Asumsi Utama Yang Digunakan / ***The Principal Assumtions Used***

	2015	2014	2013	
Usia Pensiun Normal	56 Tahun	56 Tahun	56 Tahun	*Normal Pension Age*
Tingkat Diskonto	9,10%	8%	9%	*Discount Rate*
Tingkat Proyeksi Kenaikan Gaji	8%	8%	8%	*Projection of Salary Increase Rate*
Tabel Mortalita	TMI III 2011	TMI III 2011	TMI III 2011	*Mortality Table*
Tingkat Cacat	1% dari Mortalita 0 %	1% dari Mortalita 0 %	1% dari Mortalita 0 %	*Disability Rate*
Tingkat Pengunduran Diri	0 % - 2 %	0 % - 2 %	0 % - 2 %	*Resignation Rate*

21. LIABILITAS TIDAK LANCAR LAINNYA / *21. OTHER NON-CURRENT LIABILITY*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Grant	27.846.382.388	24.882.312.222	-	*Grant*
	27.846.382.388	**24.882.312.222**	**-**	

Pada tahun 2014, Perusahaan menandatangani perjanjian untuk melaksanakan suatu proyek riset dan pengembangan yang dibiayai dengan Grant sebesar US$2,918,998.00, dan telah menerima tahap pertama dari *Grant* tersebut sebesar US$2,000,000.00 yang diakui sebagai liabilitas.dalam laporan posisi keuangan.

In 2014, the Company entered into an agreement to perform a research and development project that funded by grant amounting to US$2,918,998.00, and was received the first step of the Grant of US$2,000,000.00 which is recognized as a liability in the statement of financial position.

Perjanjian ini berlaku sejak 17 November 2014 sampai dengan 31 Juli 2017 dengan evaluasi berkala. Jika hasil evaluasi menyimpulkan proyek dapat dilanjutkan, maka Perusahaan akan menerima sisa dana *Grant* sebesar US$918,998.00. Namun jika tidak akan dilanjutkan maka Perusahaan harus mengembalikan sisa dana yang telah diterima setelah dikurangi seluruh biaya yang telah dikeluarkan untuk proyek tersebut. Berdasarkan hasil evaluasi pada tahun 2015, dengan mempertimbangkan rencana kegiatan pengembangan tahun 2016 dan adanya keterlambatan pengiriman bahan baku utama, maka keberlanjutan proyek akan ditentukan pada bulan April 2016.

The agreement is in effect since November 17, 2014 an will be due on July 31, 2017 and subject to periodic evaluation. If the result of the evaluation concludes that the project can be continued, the Company will receive the remaining grant of USD 918.998. However, if it cannot be continued, the Company should return the remaining fund after deducted by all project costs incurred. Based on the result of the evaluation took place in 2015, and considering the development activity plan in 2016 and delayedshipping of main materials, the continuation of the project will be determined on April 2016.

Berkenaan dengan syarat dan ketentuan *Grant*, Perusahaan mengakui sebagai pendapatan hibah berdasarkan progres dari proyek tersebut.

In conection with the terms and conditions of the Grant, the Company recognizes the grant as donation revenue based on the progress of the project.

22. MODAL SAHAM / *22. SHARE CAPITAL*

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Modal Ditempatkan dan Disetor Pada Awal Tahun	1.250.000.000.000	750.000.000.000	450.000.000.000	*Share Capital Issued and Paid at Beginning of Year*
Kapitalisasi Cadangan ke Modal Disetor	400.000.000.000	500.000.000.000	300.000.000.000	*Capitalization of Appropriated Earnings to Share Capital*
Modal ditempatkan dan disetor pada akhir tahun	**1.650.000.000.000**	**1.250.000.000.000**	**750.000.000.000**	***Share Capital Issued and Fully Paid at End of Year***

Sesuai dengan hasil Risalah Rapat Umum Pemegang Saham (RUPS) No.RIS-03/RUPS/BF/XII/2015 tanggal 22 Desember 2015, tentang persetujuan Rencana Kerja dan Anggaran Perusahaan (RKAP) dan Rencana Kerja Anggaran Program Kemitraan dan Bina Lingkungan (PKBL) Tahun 2016,

In accordance with the Minutes of Shareholders General Meeting No.RIS-03/RUPS/BF/XII/2015 dated December 22, 2015 regarding the approval of the Work Plan and Budget ("RKAP") of the Company and that of the Partnership and Community Development Program ("PKBL") for 2016,

22. MODAL SAHAM (lanjutan)

modal ditempatkan dan disetor Perusahaan meningkat dari semula Rp1.250.000.000.000 (terdiri dari 1.250.000 lembar saham) menjadi Rp1.650.000.000.000 (terdiri dari 1.650.000 lembar saham) dengan mengkapitalisasi sebagian cadangan sampai dengan tanggal 31 Desember 2014 sebesar Rp400.000.000.

22. SHARE CAPITAL (lanjutan)

the issued and fully paid shares was increased from Rp1.250.000.000.000 (consist of 1.250.000 shares) to Rp1.650.000.000.000 (1.650.000 shares) through capitalization of some portion of the appropriated earnings as of December 31, 2014 amount to Rp400.000.000.

23. SALDO LABA DAN PENGGUNAAN LABA

23. RETAINED EARNINGS AND DISTRIBUTION OF INCOME

Saldo Laba - Dicadangkan / ***Retainded Earnings - Appropriated***

	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Saldo Awal Tahun	786.074.860.369	941.919.524.322	670.640.762.322	*Beginning Balance*
Pembentukan Cadangan	435.058.741.834	400.727.336.047	299.278.762.000	*Establishment of Appropriated*
Kapitalisasi ke Setoran Modal	(400.000.000.000)	(500.000.000.000)	-	*Capitalization to Share Capital*
Tambahan Dividen dari Cadangan	-	(57.247.000.000)	(28.000.000.000)	*Additional Dividend from Appropriated*
Konversi Saldo Laba ke Cadangan	-	675.000.000	-	*Transfer from Unappropriated to Appropriated Earnings*
Alokasi untuk Bina Lingkungan	(4.711.557.655)	-	-	*Alocation to Community Development Program*
Saldo laba dicadangkan Akhir Tahun	**816.422.044.549**	**786.074.860.369**	**941.919.524.322**	***Retained Earnings - Appropriated at End of Year***

Sesuai dengan PER-09/MBU/07/2015 tanggal 3 Juli 2015 tentang Program Kemitraan dan Program Bina Lingkungan Badan Usaha Milik Negara, Perusahaan mengalokasikan dana cadangan untuk bina lingkungan.

Based on PER-09/MBU/07/2015 dated July 3, 2015 regarding Partnerships and Community Development Program of the State-Owned Enterprices, the Company allocated fund from appropriated earnings for Community Development

Saldo Laba - Belum Dicadangkan / ***Retainded Earnings - Unappropriated***

		Disajikan Kembali/*Restated*		
	31 Desember 2015 *December 31, 2015*	31 Desember 2014 *December 31, 2014*	1 Januari 2014 *January 1, 2014*	
Saldo Laba Pada Awal Tahun	577.590.042.383	568.539.551.187	573.142.622.925	*Beginning Balance*
Penyesuaian :				*Adjustments :*
Pengukuran Kembali Labilitas Diestimasi Imbalan pasca Kerja	-	-	(6.137.428.984)	*Remeasurement of Estimated Post Emloyment Benefit Liability*
Dampak Pajak Pengukuran Kembali Liabilitas Diestimasi Imbalan Pasca Kerja	-	-	1.534.357.246	*Tax Effect of Remeasurement of Estimated Post Employment Benefit Liability*
Pembagian Laba				*Distribution of Income*
Dividen	(145.015.000.000)	(228.987.286.878)	-	*Dividend*
Cadangan	(435.058.741.834)	(400.727.336.047)	-	*Appropppriated*
Reklasifikasi dari Cadangan untuk Tambahan Dividen	-	57.247.000.000	-	*Reclassification from Appropriate for Additional Dividend*
Tambahan Tantiem	-	(675.000.000)	-	*Additional Management Bonus*
Laba (Rugi) Tahun Berjalan	670.592.891.245	582.193.114.121	-	*Profit (Loss) for the Year*
Saldo Laba Akhir Tahun	**668.109.191.794**	**577.590.042.383**	**568.539.551.187**	***Balance at End of Year***

Penggunaan Laba / ***Distribution of Income***

Pembagian atas laba bersih tahun 2014 dan 2013 ditetapkan dalam RUPS tentang persetujuan laporan keuangan tahunan, pengesahan perhitungan tahunan, dan pembagian laba bersih tahun buku 2014 dan 2013 pada tanggal 13 Mei 2015 dan 21 Maret 2014.

The distribution of net income for the years of 2014 and 2013 was decided in the General Meeting of the Company's Shareholders regarding the approval of the annual financial statements and distribution of net income for the years of 2014 and 2013 on May 13, 2015 and March 21, 2014, respectively.

23. SALDO LABA DAN PENGGUNAAN LABA (lanjutan)

23. RETAINED EARNINGS AND DISTRIBUTION OF INCOME (continued)

	Laba Tahun Buku 2014 / *Profit for the Year of 2014*		Laba Tahun Buku 2013 / *Profit for the Year of 2013*		
	Jumlah / *Total*	Persen / *Percent*	Jumlah / *Total*	Persen / *Percent*	
Deviden	145.015.000.000	25,00%	171.740.286.877	29,96%	*Dividend*
Cadangan	435.058.743.000	75,00%	401.402.336.047	70,04%	*Appropriated*
Jumlah	**580.073.743.000**	**100%**	**573.142.622.924**	**100,00%**	***Total***

Sesuai surat Menteri BUMN No.S-25/DI.MBU/8/2015 tanggal 4 Agustus 2015 dan No.S-805/MBU/2014 tanggal 23 Desember 2014, merubah keputusan RUPS dengan memutuskan mengeluarkan dana Bina Lingkungan yang berasal dari cadangan tahun buku 2014 sebesar Rp4.711.557.655 untuk tahun 2015 dan tambahan dividen sebesar Rp57.247.000.000 untuk tahun 2014.

The letter of the Ministry of State-Owned Enterprices No.S-25/ DI.MBU/8/2015 dated August 4, 2015 and No.S-805/MBU/2014 dated December 23, 2014 changed the decision of the above Shareholders' General Meeting and decided to allocate from Appropriated Earnings year 2014 for Community Development Program amount to Rp4.711.557.655 and for additional dividend year 2014 amount to Rp57.247.000.000

24. KOMPONEN EKUITAS LAINNYA

24. OTHER EQUITY COMPONENTS

	31 Desember 2015 / *December 31, 2015*	31 Desember 2014 / *December 31, 2014*	1 Januari 2014 / *January 1, 2014*	
Surplus Revaluasi Aset Tetap - Net	1.980.781.821.592	-	-	*Revaluation Surplus - Net*
Keuntungan (Kerugian) Aktuaria	(71.181.545.902)	(70.353.320.026)	(48.652.730.124)	*Actuarial Gain (Loss)*
Keuntungan (Kerugian) belum direalisasi atas kepemilikan efek tersedia untuk dijual	-	377.292.849	-	*Unrealized Holding Gain (Loss) on Available for Sale Securities*
Jumlah	**1.909.600.275.690**	**(69.976.027.177)**	**(48.652.730.124)**	***Total***

Surplus revaluasi merupakan jumlah selisih antara nilai hasil revaluasi aset tanah dan nilai tercatatnya setelah dikurangi pajak terkait (lihat Catatan 13 dan 36).

Revaluation surplus represents the amount of difference between appraisal value of land and its carrying value less related tax (see Notes 13 and 36).

25. PENJUALAN PRODUK PERUSAHAAN

25. SALE OF THE COMPANY'S PRODUCTS

	2015				
	Pemerintah / *Government*	Swasta / *Private*		Jumlah / *Total*	
		Lokal / *Local*	Ekspor / *Export*		
Vaksin Bakteri	137.172.040.320	6.748.047.465	161.368.475.222	305.288.563.007	*Bacterial Vaccines*
Vaksin Virus	191.216.166.040	47.576.135.760	1.466.512.198.564	1.705.304.500.364	*Virus Vaccines*
Vaksin Kombinasi	242.230.811.900	3.264.845.220	7.908.542.987	253.404.200.107	*Combination Vaccines*
Sera & Diagnostika	-	80.664.022.440	25.251.360	80.689.273.800	*Sera and Diagnostics*
Jumlah	570.619.018.260	138.253.050.885	1.635.814.468.134	2.344.686.537.279	*Total*
Potongan Penjualan	-	(15.062.691.229)	-	(15.062.691.229)	*Less: Sales Discount*
Jumlah Bersih	**570.619.018.260**	**123.190.359.656**	**1.635.814.468.134**	**2.329.623.846.050**	***Total - Net***

	2014				
	Pemerintah / *Government*	Swasta / *Private*		Jumlah / *Total*	
		Lokal / *Local*	Ekspor / *Export*		
Vaksin Bakteri	98.521.504.420	7.775.693.842	111.308.249.149	217.605.447.411	*Bacterial Vaccines*
Vaksin Virus	167.683.728.790	34.687.104.183	1.254.909.371.263	1.457.280.204.236	*Virus Vaccines*
Vaksin Kombinasi	273.678.128.790	2.869.785.960	-	276.547.914.750	*Combination Vaccines*
Sera & Diagnostika	75.955.500	90.148.847.936	14.879.040	90.239.682.476	*Sera and Diagnostics*
Jumlah	539.959.317.500	135.481.431.921	1.366.232.499.452	2.041.673.248.873	*Total*
Potongan Penjualan	-	(12.685.163.736)	-	(12.685.163.736)	*Less: Sales Discount*
Jumlah Bersih	**539.959.317.500**	**122.796.268.185**	**1.366.232.499.452**	**2.028.988.085.136**	***Total - Net***

26. PENJUALAN BARANG DAGANGAN / *26. SALE OF MERCHANDISE PRODUCT*

	2015	2014	
Swasta			*Private*
Polyvalent Snake Anti Venom	3.393.270.000	2.641.320.000	*Polyvalent Snake Anti Venom*
Imovac Rabies Vero	8.528.400.000	-	*Imovac Rabies Vero*
Pemerintah			*Government*
IPV	-	7.768.581.546	*IPV*
Jumlah	11.921.670.000	10.409.901.546	*Total*
Dikurangi : Potongan Penjualan	(485.734.950)	(122.958.000)	*Less: Sales Discount*
Jumlah Bersih	**11.435.935.050**	**10.286.943.546**	***Total - Net***

27. PENJUALAN JASA / *27. SALE OF SERVICES*

	2015	2014	
Imunisasi	3.529.375.894	3.978.163.573	*Immunization*
Laboratorium	1.329.312.707	827.259.726	*Laboratorium*
Jumlah	4.858.688.601	4.805.423.299	*Total*
Dikurangi : Potongan Penjualan	(199.750)	-	*Less: Sales Discount*
Jumlah Bersih	**4.858.488.851**	**4.805.423.299**	***Total Sales of Service-Net***

Hasil penjualan imunisasi diperoleh dari jasa imunisasi vaksin dan serum, sedangkan hasil penjualan laboratorium diperoleh dari jasa pengujian mutu dan pemeriksaan laboratorium.

Terhitung sejak tanggal 6 Agustus 2015 unit pelayanan jasa diubah statusnya menjadi *Strategic Business Unit* (SBU) dengan nama Unit Bisnis Klinik dan Imunisasi.

Sales of immunization obtained from vaccine and serum immunization services, whereas sales of laboratory obtained from providing the laboratory and quality testing services.

Since August 6, 2015, the status of the services unit has changed to be a strategic business unit named Clinical and Immunization Business Unit.

28. BEBAN POKOK PENJUALAN PRODUK PERUSAHAAN / *28. COST OF GOODS SOLD OF THE COMPANY'S PRODUCTS*

	2015	2014	
Beban Produksi Langsung			***Direct Production Costs***
Pemakaian Bahan baku	335.185.456.087	316.474.526.851	*Raw Materials Used*
Karyawan	44.388.630.706	39.349.456.729	*Employees*
	379.574.086.793	355.823.983.580	
Beban Produksi Tidak Langsung			***Indirect Production Costs***
Pemakaian Bahan baku	45.726.762.581	44.502.629.822	*Raw Materials Used*
Pemakaian Bahan Penolong	178.517.469.375	148.920.764.165	*Auxiliary Materials Used*
Karyawan	112.094.786.057	96.334.363.135	*Employees*
Sosial Karyawan	6.932.315.372	5.544.496.183	*Social Employee*
Perjalanan Dinas	4.256.820.789	3.563.809.743	*Business Travelling*
Jasa Profesional	1.360.224.048	2.705.006.417	*Professional Fees*
Pemeliharaan dan Perbaikan	117.567.176.606	124.174.675.333	*Maintanence and Repairs*
Asuransi	2.266.428.552	1.446.458.020	*Insurance*
Penyusutan dan Amortisasi	95.550.245.007	89.753.664.615	*Depreciation and amortization*
Kantor	11.264.457.601	7.016.279.858	*Office*
Peningkatan dan Pengembangan Sumber Daya Manusia	7.496.843.836	2.982.472.221	*Improvement and Development of Human Resources*
	583.033.529.825	526.944.619.513	
Total Beban Produksi	962.607.616.619	882.768.603.093	*Total Production Costs*
Persediaan Produk Dalam Proses			*Inventory of Products in Progress*
Awal Tahun	97.889.204.813	46.675.802.415	*At Beginning of Year*
Akhir Tahun	(222.475.046.209)	(97.889.204.813)	*At End of Year*
Beban Pokok Produksi	838.021.775.223	831.555.200.695	*Cost of Goods Manufactured*

28. BEBAN POKOK PENJUALAN PRODUK PERUSAHAAN (lanjutan)

28. COST OF GOODS SOLD OF THE COMPANY'S PRODUCTS (continued)

	2015	2014	
Beban Pokok Produksi - pindahan	838.021.775.223	831.555.200.695	*Cost of Goods Manufactured*
Persediaan Produk Jadi			*Inventory of Finnished Products*
Awal Tahun	65.775.265.667	42.582.402.135	*at Beginning of the Year*
Kadaluarsa/Rusak	(16.833.283.420)	(38.040.438.465)	*Expired/Damaged*
Promosi, Disumbangkan, Penggantian,			*Promotion, Donated,Replacement,*
dan Pemakaian Sendiri	(738.375.068)	(1.233.818.867)	*and Self Consumptions*
Beban Pokok Barang Tersedia			*Cost of Products*
Untuk Dijual	886.225.382.402	834.863.345.499	*Available for Sale*
Dijual untuk Imunisasi	(702.599.302)	(1.479.390.740)	*Sold for Immunization*
Akhir Tahun	(33.161.706.767)	(65.775.265.667)	*At End of Year*
Jumlah	**852.361.076.333**	**767.608.689.091**	***Total***

29. BEBAN POKOK PENJUALAN BARANG DAGANGAN

29. COST OF GOODS SOLD OF MERCHANDISE PRODUCT

	2015	2014	
Persediaan Awal Tahun	1.313.359.545	34.140.799	*Inventories at Beginning of Year*
Pembelian	13.175.592.864	10.331.922.097	*Purchases*
Tersedia untuk Dijual	14.488.952.409	10.366.062.896	*Available for Sale*
Digunakan untuk Promosi, Penggantian,			*Used for Promotion, Replacement,*
Pemakaian Sendiri dan Disumbangkan	(1.089.259.779)	-	*Self Consumption and Donation*
Digunakan untuk Imunisasi	(224.377.738)	(225.716.053)	*Used for Immunization*
Persediaan Akhir Tahun	(2.010.514.545)	(1.313.359.545)	*Inventories at End of Year*
Jumlah	**11.164.800.347**	**8.826.987.298**	***Total***

30. BEBAN JASA

30. COST OF SERVICES

	2015	2014	
Karyawan	1.866.433.676	967.140.262	*Employees*
Pemakaian Produk Jadi untuk Imunisasi	702.599.302	1.479.390.740	*Products used for Immunization*
Pemakaian Bahan Baku dan Penolong	44.686.952	149.668.392	*Raw Materials and Auxiliaries used*
Pemakaian Barang Untuk Imunisasi	224.377.738	225.716.053	*Merchandise Used for Immunization*
Perjalanan Dinas	148.087.750	66.071.440	*Business travelling*
Penyusutan Aset Tetap	228.728.122	218.033.938	*Depreciation of Fixed Assets*
Pemeliharaan dan Perbaikan	46.005.750	14.405.000	*Repairs and Maintenance*
Asuransi	2.494.687	2.054.577	*Insurance*
Jasa Profesional	481.448.967	450.000.000	*Professional Services*
Lain-lain	217.127.129	81.449.318	*Others*
Jumlah	**3.961.990.073**	**3.653.929.719**	***Total***

31. PENGHASILAN LAIN-LAIN

31. *OTHER INCOME*

	2015	2014	
Keuntungan Selisih Kurs	78.787.808.691	70.215.332.574	*Gains on Foreign Exchange*
Pemulihan Penyisihan Persediaan	2.603.133.373	1.957.764.125	*Recovery of Inventory Impairment*
Pemulihan Penyisihan Piutang	34.973.845	34.960.874	*Recovery of Receivable Impairment*
Pendapatan Hibah	800.000.000	4.988.917.314	*Donation Revenue*
Royalti	33.939.506	1.493.832.930	*Royalties*
Pendapatan Jasa Giro	605.407.257	988.749.765	*Interest from Deposit Accounts*
Pendapatan Bunga Deposito	34.338.748.047	33.089.386.020	*Interest from Time Deposits*
Pendapatan Bunga Investasi	1.957.450.000	1.521.625.000	*Interest from Investment*
Pendapatan Denda dari			*Penalties from Distributors and*
Pemasok dan Pelanggan	636.391.149	389.605.973	*Customers*
Hasil Sewa Ruangan dan Bagi Hasil	243.337.500	92.312.500	*Room Rent and Profit Sharing*
Klaim Asuransi	-	106.644.572	*Insurance Claims*
Penjualan Sampingan	1.487.693.701	441.406.899	*Other Sales*
Lainnya (di bawah Rp 1 milyar)	7.535.122.281	3.309.828.867	*Others (less than Rp1 billion)*
Jumlah	**129.064.005.350**	**118.630.367.414**	***Total***

32. BEBAN ADMINISTRASI DAN UMUM / *32. GENERAL AND ADMINISTRATIVE EXPENSES*

	2015	Disajikan Kembali *Restated* 2014	
Karyawan	215.630.516.241	186.529.009.232	*Employees*
Dewan Komisaris dan Direksi	46.328.045.975	37.670.776.997	*Directors and Commisioners*
Beban Kantor	44.606.987.152	30.980.789.756	*Office Expenses*
Pemeliharaan dan Perbaikan	29.127.874.982	29.080.324.024	*Repairs and Maintenance*
Sosial Karyawan	15.128.966.154	12.565.989.742	*Employees Social Expenses*
Penyusutan Aset Tetap	19.648.209.985	13.047.674.175	*Depreciation Expense*
Peningkatan dan Pengembangan SDM	16.203.957.322	12.528.940.615	*Human Resources Development*
Perjalanan Dinas	7.998.925.560	4.998.486.303	*Business Travelling*
Jasa Profesional	6.451.035.515	2.902.068.633	*Professional Services*
HUT Perusahaan dan Olahraga	3.880.861.129	3.698.365.000	*Company's Anniversary and Sports*
Jamuan Tamu	4.884.585.811	3.760.908.867	*Entertainment*
Pajak Bumi dan Bangunan dan Pajak Kendaraan	3.191.645.068	1.903.287.248	*Land and Buildings and Vehicle Taxes*
Sumbangan Sosial Masyarakat	3.840.110.024	1.969.132.866	*Donation*
Asuransi	247.255.824	76.677.123	*Insurance*
Amortisasi Beban Tangguhan dan Aset Takberwujud	3.044.064.087	1.666.309.750	*Amortization of Deferred Charges and and Intangible Assets*
Lain-lain	1.546.386.355	5.631.388.135	*Others*
Jumlah	**421.759.427.184**	**349.010.128.464**	***Total***

33. BEBAN PENJUALAN / *33. SELLING EXPENSES*

	2015	Disajikan Kembali *Restated* 2014	
Karyawan	22.110.655.752	18.490.362.707	*Employees*
Perjalanan Dinas	3.546.385.751	1.114.764.784	*Business travelling*
Jasa Profesional	749.112.500	767.815.600	*Professional Services*
Pemeliharaan dan Perbaikan	489.527.755	297.426.225	*Repairs and Maintenance*
Asuransi	12.719.408	8.840.842	*Insurance*
Penyusutan Aset Tetap	1.794.042.048	546.885.021	*Depreciation Expense*
Beban Kantor	3.301.289.841	5.029.475.629	*Office Expenses*
Peningkatan dan Pengembangan SDM	395.105.484	356.593.208	*Human Resource Development*
Keagenan Ekspor	2.242.633.127	-	*Export Agency Services*
Ongkos Angkut	34.421.044.628	27.021.798.405	*Transportation*
Embalage	15.089.687.612	13.075.049.196	*Embalage*
Promosi dan Periklanan	17.969.987.666	9.818.143.008	*Promotion and Advertising*
Monitoring Produk	9.618.653.448	10.522.105.506	*Monitoring of Products*
Insentif Penjualan	3.774.035.443	1.775.301.247	*Sales Incentives*
Jaminan dan Kerugian Penjualan	305.275.926	326.010.138	*Sales Warranty*
Royalti	10.775.555.450	9.913.042.631	*Royalties*
Penyisihan Penurunan Nilai Piutang	222.388.188	118.427.772	*Impairment of Receivables*
Jumlah	**126.818.100.027**	**99.182.041.918**	***Total***

Rincian beban royalti terdiri dari royalti untuk : / *Royalty expense consist of :*

	2015	2014	
Biken Jepang - penjualan vaksin flubio	452.761.444	246.398.600	*Biken Japan - sales of flubio vaccine*
Cape Biologicals - penjualan vaksin pentabio	4.523.250.069	4.970.640.022	*Cape Biologicals - sales of pentabio vaccine*
Bionet Asia - penjualan vaksin pentabio	5.252.156.025	4.696.004.008	*Bionet Asia - sales of pentabio vaccine*
Biologicals Sand - penjualan vaksin pentabio	547.387.911	-	*Biologicals Sand - sales of pentabio vaccine*
	10.775.555.450	9.913.042.631	

34. BEBAN PENELITIAN, PENGEMBANGAN DAN SURVEILANS / *34. RESEARCH, DEVELOPMENT AND SURVEILLANCE*

	2015	2014	
Pemakaian Bahan Baku dan Bahan Penolong	21.954.249.660	21.242.673.637	*Raw Materails and Auxilliaries Usage*
Jasa Profesional	22.112.742.854	21.030.107.325	*Professional Services*
Karyawan	22.475.869.376	17.910.310.534	*Employees*
Penyusutan Aset Tetap	15.547.079.115	14.725.288.243	*Depreciation*
Pemeliharaan dan Perbaikan	2.864.149.588	8.020.363.195	*Repair and Maintenance*
Perjalanan Dinas	3.900.017.055	2.352.694.597	*Business Travelling*
Beban Kantor	729.278.328	588.764.489	*Office Expense*
Peningkatan dan Pengembangan SDM	3.594.869.409	2.739.770.846	*Human Resource Development*
Asuransi	264.314.132	169.242.590	*Insurance*
Jumlah	**93.442.569.518**	**88.779.215.457**	***Total***

35. BEBAN LAIN-LAIN / *35. OTHER EXPENSES*

	2015	2014	
Kerugian Selisih Kurs	55.718.571.670	59.322.831.500	*Loss on Foreign Exchange*
Koreksi Pajak dan Denda Pajak	352.238.893	67.738.990	*Tax Corrections and Penalties*
Denda Selain Pajak	125.992	378.189.000	*Other penalties*
Beban Penurunan Nilai Aset	3.831.467.299	41.955.815	*Loss on Impairment of Assets*
Beban Lainnya (di bawah Rp1 milyar)	6.298.332.015	9.937.122.869	*Others (less than Rp1 billion)*
Jumlah	**66.200.735.869**	**69.747.838.173**	***Total***

36. PENGHASILAN KOMPREHENSIF LAIN / *36. OTHER COMPREHENSIVE INCOME*

	2015	2014	
Surplus Revaluasi Aset Tetap	1.980.781.821.592	-	*Revaluation Surplus*
Keuntungan (Kerugian) Aktuaria	(828.225.876)	(21.700.589.902)	*Actuarial Gain (Loss)*
Keuntungan (Kerugian) Belum Direalisasi Dari Efek Tersedia Untuk Dijual	-	377.292.849	*Unrealized Holding Gain (Loss) of Available for Sale Securities*
	1.979.953.595.716	**(21.323.297.053)**	

Surplus revaluasi merupakan jumlah selisih antara nilai hasil revaluasi aset tanah dan nilai tercatatnya setelah dikurangi pajak terkait (lihat Catatan 13), dengan rincian sebagai berikut:

Revaluation surplus represents the amount of difference between appraisal value of land and its carrying value less related tax (see Note 13), with details are as follows:

Nilai appraisal	Rp	2.059.183.000.000	*Appraisal value*
Nilai tercatat		17.139.884.957	*Carrying value*
	Rp	2.042.043.115.043	
Dikurangi : PPh Pasal 4 (2)		61.261.293.451	*Less : Income Tax Article 4 (2)*
Surplus revaluasi - Net	Rp	1.980.781.821.592	*Revaluation Surplus - Net*

37. ASET DAN LIABILITAS DALAM MATA UANG ASING / *37. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES*

		Mata Uang Asing *Foreign Currency*	Ekuivalen Rupiah *Rupiah Equivalent*	Mata uang Asing *Foreign Currency*	Ekuivalen Rupiah *Rupiah Equivalent*	
Aset						***Assets***
Kas dan Setara Kas	USD	17.295.123	238.586.227.027	11.284.106	140.374.275.157	*Cash and Cash Equivalent*
	EUR	7.127.955	107.415.930.830	1.665.477	25.204.092.682	
Piutang Usaha	USD	33.457.620	461.547.869.969	18.235.567	226.850.449.748	*Trade Receivable*
Piutang Lainnya	USD	17.142	236.473.890	-	-	*Other Receivables*
Uang Muka	USD	748.486	10.325.366.853	809.856	10.074.606.028	*Advances*
	EUR	3.165.317	47.700.279.621	155.047	2.346.362.023	
	GBP	4.110	84.054.062			
	AUD	-	-	2.100	21.458.262	
	JPY	1.269.644	145.399.631	-	-	
Jumlah Aset			**866.041.601.884**		**404.871.243.899**	***Total Assets***

37. ASET DAN LIABILITAS DALAM MATA UANG ASING (lanjutan)

37. *ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES (continued)*

		Mata Uang Asing *Foreign Currency*	Ekuivalen Rupiah *Rupiah Equivalent*	Mata uang Asing *Foreign Currency*	Ekuivalen Rupiah *Rupiah Equivalent*	
Liabilitas						***Liabilities***
Uang Muka Penjualan	USD	61.842	853.110.390	24.714	307.443.155	*Advanced Receipts*
Utang Usaha	USD	5.966.041	82.301.538.492	438.000	5.448.722.364	*Trade Payables*
	EUR	68.922	1.038.632.399	134.553	2.036.224.019	
	JPY	3.776.598	432.496.003	6.966.954	726.235.285	
	DKK	-	-	777.400	1.579.599.060	
Biaya YMH Dibayar	USD	72.000	993.240.000	28.800	358.272.000	*Accrued Expenses*
	AUD	60.000	603.849.600	-	-	
Liabilitas Lainnya	USD	107.942	1.489.063.201	31.020	385.885.939	*Other Liability*
Jumlah Liabilitas			**87.711.930.084**		**10.842.381.822**	***Total Liabilities***
Aset (Liabilitas) Bersih			**778.329.671.800**		**394.028.862.077**	***Asset (Liability) - Net***

38. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

38. *TRANSACTIONS WITH RELATED PARTIES*

a. Saldo akun dengan pihak berelasi terdiri dari :

a. *Account balances with related parties are as follow :*

Akun	31 Desember 2015 *December 31, 2015*		31 Desember 2014 *December 31, 2014*		*Accounts*
	Jumlah *Amount*	Persen *Percent*	Jumlah *Amount*	Persen *Percent*	
Kas dan Setara Kas (Catatan 3)	555.939.258.294	9,79%	951.717.046.000	31,26%	*Cash and Cash Equivalent (Note 3)*
Piutang Usaha (Catatan 5)	17.298.055.107	0,30%	11.959.603.001	0,39%	*Trade Receivables (Note 5)*
Piutang Lain-lain (Catatan 6)	1.302.637.458	0,02%	1.302.637.458	0,04%	*Other Receivables (Note 6)*
Uang Muka Pembelian Lokal (Catatan 8)	16.044.202.629	0,28%	34.294.004.725	1,13%	*Advance - Local Purchases (Note 8)*
Pendapatan yang masih akan diterima (Catatan 11)	1.591.887.435	0,03%	2.163.072.734	0,07%	*Unearned Revenue (Note 11)*
Utang Usaha (Catatan 16)					*Trade Payables (Note 16)*
Koperasi Karyawan Bio Farma	8.174.576.205	0,14%	18.396.559.596	0,60%	*Koperasi Karyawan Bio Farma*
CV Karya Cahya Abadi	1.180.481.303	0,02%	3.089.624.258	0,10%	*CV Karya Cahya Abadi*
PT Pembangunan Perumahan (Persero), Tbk	4.392.144.317	0,08%	-	0,00%	*PT Pembangunan Perumahan (Persero), Tbk*
PT Wijaya Karya (Persero)	769.068.182	0,01%	-	0,00%	*PT Wijaya Karya (Persero)*
PT Adhi Karya (Persero)	-	-	2.189.372.274	0,07%	*PT Adhi Karya (Persero)*
Universitas Brawijaya	-	-	1.150.000.000	0,04%	*Universitas Brawijaya*
PT Kimia Farma, Tbk	419.689.563	0,01%	410.324.291	0,01%	*PT Kimia Farma, Tbk*
PT Telkom Indonesia, Tbk	-	-	290.000.000	0,01%	*PT Telkom Indonesia, Tbk*
Jumlah	14.935.959.570	0,26%	25.525.880.419	0,84%	*Total*

b. Sifat Hubungan

b. *Nature of Relationships*

Pihak Berelasi *Related Parties*	Hubungan dengan Perusahaan *Relationship with the Company*	Sifat Saldo Akun/Transaksi *Nature of Accounts/Transactions*
Bank Milik Negara/ Daerah	Entitas Sepengendali / *Entity Under Common Control*	Kas dan Setara Kas / *Cash and Equivalent Cash*
PT Kimia Farma (Persero) Tbk	Entitas Sepengendali / *Entity Under Common Control*	Penjualan Produk / *Sale of Product*
PT Indofarma Global Medika	Entitas Sepengendali / *Entity Under Common Control*	Penjualan Produk / *Sale of Product*
PT Rajawali Nusantara Indonesia	Entitas Sepengendali / *Entity Under Common Control*	Penjualan Produk / *Sale of Product*
PT Iglas (Persero)	Entitas Sepengendali / *Entity Under Common Control*	Piutang Lain-lain / *Other Receivables*
PT Pembangunan Perumahan (Persero), Tbk	Entitas Sepengendali / *Entity Under Common Control*	Pembelian Investasi / *Purchase of Investment*
PT Adhi Karya (Persero) Tbk	Entitas Sepengendali / *Entity Under Common Control*	Pembelian Investasi / *Purchase of Investment*
Koperasi Karyawan Bio Farma	Entitas Sepengendali / *Entity Under Common Control*	Pembelian Barang dan Investasi / *Purchase of Goods and Investment*
CV Karya Cahya Abadi	Entitas Sepengendali / *Entity Under Common Control*	Pembelian Barang dan Investasi / *Purchase of Goods and Investment*
Pihak Berelasi Lainnya	Entitas Sepengendali / *Entity Under Common Control*	Lain-lain dengan nilai dibawah Rp 1 milyar / *Other transactions under Rp 1 billion*

39. PERJANJIAN DAN PERIKATAN PENTING

a. Berdasarkan Kontrak Katalog Pelaksanaan Pengadaan Vaksin No.224 tahun 2015, tanggal 20 Mei 2015 antara Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah dan PT Bio Farma (Persero), Perusahaan mengadakan perjanjian jual beli pengadaan vaksin regular tahun 2015 dengan Direktorat Bina Obat Publik dan Perbekalan Kesehatan Direktorat Jenderal Bina Kefarmasian dan alat Kesehatan Kementerian Kesehatan Republik Indonesia, No.KN.01.01/5/170-PK/2015, tanggal 26 Mei 2015.

Direktorat Bina Obat Publik dan Perbekalan Kesehatan Direktorat Jenderal Bina Kefarmasian dan Alat Kesehatan Kementerian Kesehatan Republik Indonesia akan membeli berbagai jenis vaksin untuk program tersebut dari Perusahaan dengan rincian sebagai berikut :

39. SIGNIFCANT AGREEMENTS AND COMMITMENTS

a. Based on Catalog Contract of Procurement of Vaccines No.224 Year of 2015 dated May 20, 2015 between the Company and Government Procurement Policy Institution, the Company entered into an agreement with the Directorate of Public Drugs and Health Supply of the Directorate General of Pharmaceutical and Medical Devices of the Ministry of Health of the Republic of Indonesia regarding the sale and purchase of regular vaccines in 2015 as mentioned in a letter of agreement No.KN.01.01/5/170-PK/2015 dated May 26, 2015.

The Directorate of Public Drugs and Health Supply of the Directorate General of Pharmaceutical and Medical Devices of the Ministry of Health of the Republic of Indonesia will purchase the following various types of vaccines for that program from the Company :

No.	Jenis Vaksin *Vaccine Types*	Kemasan *Packing*	Kuantum *Quantity*	Harga Satuan *Unit Price*	Jumlah (Rp.) *Amount (Rp.)*
1	BCG	20 ds/amp	1.776.768	59.950	106.517.241.600
2	TT	10 ds/vial	1.353.704	14.498	19.626.000.592
3	DT	10 ds/vial	359.920	17.798	6.405.856.160
4	Campak/Measles	10 ds/vial	3.161.890	28.204	89.177.945.560
5	Polio	10 ds/vial	2.719.996	19.954	54.274.800.184
6	Hep. B 0.5 ml	1 ds/puch	3.200.241	20.900	66.885.036.900
7	DTP-HB-Hib	5 ds/vial	1.952.834	76.285	148.971.941.690
8	Td	10 ds/vial	1.111.524	16.500	18.340.146.000
				Total	**510.198.968.686**
				PPN/*VAT* 10 %	51.019.896.869
				Total - PPN/*VAT*	**459.179.071.817**

Persyaratan Perusahaan dalam memenuhi perjanjian tersebut antara lain:

1. Vaksin yang diproduksi harus memiliki spesifikasi sebagaimana tercantum dalam Perjanjian Jual Beli.
2. Semua jenis vaksin tersebut harus diserahkan di gudang tujuan paling lambat tanggal 21 November 2015 serta dianggap sah apabila sudah dilengkapi dengan Bukti Penerimaan Barang di Dinas Kesehatan Provinsi, Bukti Penerimaan Barang di tingkat pusat ditandatangani oleh Penerima Barang di Gudang Direktorat Jenderal Pengendalian Penyakit dan Penyehatan Lingkungan (PP&PL) dan diketahui Pejabat Struktural. Panitia Penerimaan Hasil Pekerjaan Pengadaan Barang/Jasa Direktorat Bina Kefarmasian dan Alat Kesehatan membuatkan rekap bukti penerimaan yang diketahui oleh Pejabat Pembuat Komitmen Satuan Kerja Direktorat Bina Obat Publik dan Perbekalan Kesehatan.
3. Menyerahkan Surat Jaminan sebagai jaminan pelaksanaan yang diterbitkan oleh Bank Umum atau Perusahaan Penjamin atau Perusahaan Asuransi yang memiliki Program Asuransi Kerugian (*Surety bond*) yang diijinkan oleh Menteri Keuangan Republik Indonesia, sebesar 5% dari nilai kontrak atau sebesar Rp25.509.948.434, yang berlaku sampai dengan tanggal 15 Desember 2015.

The following are requirements the Company should meet the agreement :

1. Vaccines produced should have specifications as stated in the sale and purchase agreement.
2. All types of vaccines should be submitted at destination warehouse no more than November 21, 2015, and will be valid when equipped by receiving report issued by the Provincial Health Office. At the Ministry Office, the receiving document is signed by recipient of goods at the Warehouse of Directorate General of of Disease Control and Environmental Healthcare (PP & PL), and known by the Official of the Directorate. The Committee for Receiving of Procurement of the Directorate of Pharmaceutical and Medical Devices provides a recapitulation of the receiving reports that known by the Official in Charge of the Directorate of Public Drugs and Health Supply.
3 Submit a letter of guarantee as performance bond issued by Bank or Guarantor or Insurance Company that have a Surety Bond Program licenced by the Ministry of Finance of the Republic of Indonesia amounting to 5% of the contract price, or equivalent to Rp25.509.948.434 and valid until December 15, 2015.

39. PERJANJIAN DAN PERIKATAN PENTING (lanjutan)

b. Berdasarkan Kontrak Katalog Pelaksanaan Pengadaan Vaksin No.224 tahun 2015, tanggal 20 Mei 2015 antara Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah dan PT Bio Farma (Persero), Perusahaan mengadakan perjanjian jual beli pengadaan vaksin regular tahun 2015 dengan Direktorat Bina Obat Publik dan Perbekalan Kesehatan Direktorat Jenderal Bina Kefarmasian dan alat Kesehatan Kementerian Kesehatan Republik Indonesia, No.KN.01.01/5/443-PK/2015, tanggal 6 November 2015. Direktorat Bina Obat Publik dan Perbekalan Kesehatan Direktorat Jenderal Bina Kefarmasian dan Alat Kesehatan Kementerian Kesehatan Republik Indonesia akan membeli berbagai jenis vaksin untuk program tersebut dari Perusahaan dengan rincian sebagai berikut :

39. SIGNIFCANT AGREEMENTS AND COMMITMENTS (continued)

b. Based on Catalog Contract of Procurement of Vaccines No.224 Year of 2015 dated May 20, 2015 between the Company and Goverment Procurement Policy Institution, the Company entered into an agreement with the Directorate of Public Drugs and Health Supply of the Directorate General of Pharmaceutical and Medical Devices of the Ministry of Health of the Republic of Indonesia regarding the sale and purchase of regular vaccines in 2015 as mentioned in a letter of agreement No.KN.01.01/5/443-PK/2015 dated November 6, 2015. The Directorate of Public Drugs and Health Supply of the Directorate General of Pharmaceutical and Medical Devices of the Ministry of Health of the Republic of Indonesia wil purchase various types of vaccines from the Company with details as follows :

No.	Jenis Vaksin *Vaccine Types*	Kemasan *Packing*	Kuantum *Quantity*	Harga Satuan *Unit Price*	Jumlah (Rp.) *Amount (Rp.)*
1.	DTP-HB-Hib	5 ds/vial	1.540.040	63.045	97.092.521.818
				Total	**97.092.521.818**
				PPN/*VAT* 10 %	9.709.252.182
				Total + PPN/*VAT*	**106.801.774.000**

Persyaratan Perusahaan dalam memenuhi perjanjian tersebut antara lain:

1. Vaksin yang diproduksi harus memiliki spesifikasi sebagaimana tercantum dalam Perjanjian Jual Beli.
2. Semua jenis vaksin tersebut harus diserahkan di gudang tujuan paling lambat tanggal 10 Desember 2015 serta dianggap sah apabila sudah dilengkapi dengan Bukti Penerimaan Barang di Dinas Kesehatan Provinsi, Bukti Penerimaan Barang di tingkat pusat ditandatangani oleh Penerima Barang di Gudang Direktorat Jenderal Pengendalian Penyakit dan Penyehatan Lingkungan (PP&PL) dan diketahui Pejabat Struktural. Panitia Penerimaan Hasil Pekerjaan Pengadaan Barang/Jasa Direktorat Bina Kefarmasian dan Alat Kesehatan membuatkan rekap bukti penerimaan yang diketahui oleh Pejabat Pembuat Komitmen Satuan Kerja Direktorat Bina Obat Publik dan Perbekalan Kesehatan.
3. Menyerahkan Surat Jaminan sebagai jaminan pelaksanaan yang diterbitkan oleh Bank Umum atau Perusahaan Penjamin atau Perusahaan Asuransi yang memiliki Program Asuransi Kerugian (*Surety bond*) yang diijinkan oleh Menteri Keuangan Republik Indonesia, sebesar 5% dari nilai kontrak atau sebesar Rp5.340.088.700, yang berlaku sampai dengan tanggal 31 Desember 2015.

The following are requirements the Company should meet the agreement :

1 Vaccines produced should have specifications as stated in the sale and purchase agreement.
2. All types of vaccines should be submitted at destination warehouse no more than December 10, 2015, and will be valid when equipped by receiving report issued by the Provincial Health Office. At the Ministry Office, the receiving document is signed by recipient of goods at the Warehouse of Directorate General of of Disease Control and Environmental Healthcare (PP & PL), and known by the Official of the Directorate. The Committee for Receiving of Procurement of the Directorate of Pharmaceutical and Medical Devices provides a recapitulation of the receiving reports that known by the Official in Charge of the Directorate of Public Drugs and Health Supply.
3 Submit a letter of guarantee as performance bond issued by Bank or Guarantor or Insurance Company that have a Surety Bond Program licenced by the Ministry of Finance of the Republic of Indonesia amounting to 5% of the contract price, or equivalent to Rp5.340.088.700 and valid until December 15, 2015.

c. Perusahaan mengadakan perjanjian kerjasama kegiatan pengembangan produk dengan pihak ketiga yaitu *University of Melbourne*, *Artes Biotechnology GmbH*, *PATH Vaccine Solution (PVS)*, dengan IVI (*The International Vaccine Institute*), *Lipotek Pty.Ltd*, *Iwate Medical University* dan *Japan Poliomyeitis Research Institute* (JPRI).

c. The Company entered into cooperation agreements for product development activities with third parties, those are University of Melbourne, Artes Biotechnology GmbH, PATH Vaccine Solution (PVS), dengan IVI (The International Vaccine Institute), Lipotek Pty.Ltd, Iwate Medical University, and Japan Poliomyeitis Research Institute (JPRI).

39. PERJANJIAN DAN PERIKATAN PENTING (lanjutan)

d. Perusahaan mengadakan perjanjian jual beli produk Perusahaan dengan beberapa pelanggan di luar negeri sebagai berikut:
   1. Perjanjian No.05887/DIR/XI/2014 tanggal 3 Desember 2014 dengan Propharm (M) SDN.BHD tentang penjualan *Finished Product* (*Vaccine*) yang berlaku hingga tanggal 30 April 2018.
   2. Perjanjian No.03137/DIR/VI/2013 tanggal 3 Juni 2013 dengan KEBS Pharmacy & Gen. ENT. LTD., tentang penanganan registrasi produk Bio Farma (OPV) di Nigeria yang di supply melalui UNICEF, dengan masa berlaku selama 3 (tiga) tahun sejak perjanjian ditandatangani.
   3. Perjanjian No.01391/ DIR/II/2013 tanggal 16 Maret 2013 dengan Biological E Limited tentang penjualan *Measles Bulk*, yang berlaku hingga 16 Maret 2018. Pada 5 Desember 2013 dilakukan amandemen atas perjanjian tersebut sesuai dengan perjanjian No.06511/DIR/XII/2013, yang memperbaharui masa berlaku hingga 31 Desember 2018.
   4. Perjanjian No.07444/DIR/XII/2012 tanggal 20 Desember 2012 dengan BioNet Asia Co. Ltd tentang penjualan *Ready to fill Final Bulk Td Vaccine*, yang berlaku untuk jangka waktu 5 tahun sejak tanggal registrasi dari produk akhir di wilayah Thailand.
   5. Perjanjian jangka panjang dengan UNICEF untuk pengadaan vaksin-vaksin berikut ini, yang ditandatangani pada tanggal :
      - 23 November 2012, untuk *supply* Vaksin Campak 10 ds. dari tahun 2013 sampai 2016.
      - 28 November 2012, untuk *supply* Vaksin TT-10 ds., Td-10 ds., dan DTP-10 ds. dari tahun 2013 sampai 2015.
      - 11 Desember 2012, untuk *supply* tOPV 20 ds dan bOPV 20 ds dari tahun 2013 sampai 2016.
      - 1 April 2015 dan 19 Mei 2015 untuk penambahan *supply* vaksin TT-10 dosis tahun 2015.
   6. Perjanjian No.06384/DIR/XI/2011 tanggal 7 November 2011 dengan BioNet Asia Ltd tentang penjualan DPT Bulk, yang berlaku hingga 31 Desember 2015. Pada tanggal 14 Mei 2012 dilakukan amandemen II atas perjanjian tersebut sesuai dengan perjanjian No.03098/DIR/V/2012, yang memperbaharui masa berlaku hingga 31 Desember 2016. Pada tanggal 17 November 2014 dilakukan amandemen III atas perjanjian tersebut sesuai dengan perjanjian No.05664/DIR/XI/2014, yang memperbaharui masa berlaku hingga tanggal 31 Desember 2019.
   7. Perjanjian No.06383/DIR/XI/2011 tanggal 7 November 2011 dengan BioNet Asia Ltd tentang penjualan Monovalent Poliomyelitis Bulk, yang berlaku hingga 31 Desember 2015.

39. SIGNIFCANT AGREEMENTS AND COMMITMENTS (continued)

d. The Company entered into agreements with overseas customers for sale and purchase of its products as follows:

1. Agreement No.05887/DIR/XI/2014 dated December 3, 2014 with the Propharm (M) Sdn.Bhd concerning the sale of Finished Product (Vaccine). The agreement is valid until 30 April 2018.

2. Agreement No.03137/DIR/VI/2013 dated June 3, 2013 with KEBS Pharmacy & Gen. ENT. LTD. for handling the registration of the products of Bio Farma (OPV) at Nigeria which are supplied through the UNICEF. The agreement is in effect for 3 (three) years since it is signed.

3. Agreement No.01391/DIR/II/2013 dated March 16, 2013 with the Biological E Limited for the sale of Measles Bulk, which is valid until March 16, 2018. On December 5, 2013 the agreement was amended by agreement No.06511/DIR/XII/2013 for renew the period of the agreement until December 31, 2018.

4. Agreement No.07444/DIR/XII/2012 dated December 20, 2012 with Bionet-Asia Co. Ltd. for the sale of Ready-to-fill Final Bulk Td Vaccines. The agreement is valid for 5 years since registration date of the end products in Thailand territory.

5. Long term arrangements with UNICEF for the procurements of the following vaccines, which were signed on:

- *November 23, 2012, to supply Measles Vaccines 10 ds from 2013 until 2016.*
- *November 28, 2012, to supply the TT-10 ds, Td-10 ds, and DTP-10 ds vaccines from 2013 until 2015.*
- *December 11, 2012, to supply tOPV 20 ds and bOPV 20 ds from 2013 until 2016.*
- *April 1 and May 19, 2015 to additional supply of vaccine TT-10 dosage for 2015.*

6. Agreement No.06384/DIR/XI/2011 dated November 7, 2011 with the Bionet Asia Ltd, regarding the sale of DPT Bulk, which is valid until December 31, 2015. On May 14, 2012 the agreement was amended by agreement (amendment II) No.03098/DIR/V/2012 that renew the period of the agreement until December 31, 2016. Later, on November 17, 2014 the agreement was amended again by agreement (amendment III) No.05664/DIR/XI/ 2014 that renew the period of the agreement until December 31, 2019.

7. Agreement No.06383/DIR/XI/2011 dated November 7, 2011 with the Bionet Asia Ltd., for the sale of DPT Bulk, valid until December 31, 2015.

39. PERJANJIAN DAN PERIKATAN PENTING (lanjutan)

Perjanjian telah dirubah dengan amandemen I sesuai perjanjian No.03097/DIR/V/2012 tanggal 14 Mei 2012 yang memperbaharui masa berlaku hingga 31 Desember 2017, amandemen II sesuai perjanjian No.05265/DIR/ IX/2013 tanggal 30 September 2013 yang merubah nilai perjanjian, dan amandemen IIIdengan perjanjian No.05663/DIR/XI/2014 tanggal 17 November 2014 yang memperbaharui masa berlaku hingga 31 Desember 2019.

8. Perjanjian No.04394/DIR/VI/2010 tanggal 30 Juni 2010 dengan Universal Exim tentang perjanjian pemasaran yang meliputi penjualan Monovalent Poliomyelitis Bulk dan DTP Bulk, yang berlaku hingga 31 Maret 2014, yang telah dilakukan amandemen IX sesuai perjanjian No.08905/DIR/VII/ 2013 tanggal 12 Juli 2013 yang memperbaharui masa berlaku hingga sampai 31 Maret 2016, amandemen X sesuai perjanjian No.06724/DIR/XII/ 2013 tanggal 17 Desember 2013 yang memperbaharui nilai perjanjian, dan amandemen XI sesuai perjanjian No.01512/DIR/III/2015 tanggal 9 Maret 2015 yang memperbaharui nilai perjanjian dan masa berlaku hingga 31 Maret 2019.
9. Perjanjian No.02051/ DIR/III/2010 tanggal 30 Maret 2010 dengan BioNET ASIA CO.LTD tentang penjualan Poliomyelitis *Bulk* , yang berlaku hingga 30 Maret 2013, telah dilakukan amandemen II sesuai perjanjian No.02957/DIR/ V/2012 tanggal 9 Mei 2012 yang memperbaharui masa berlaku hingga 31 Desember 2016.
10. Perjanjian No.02305/DIR/ IV/2010 tanggal 8 April 2010 dengan BioNET ASIA CO.LTD tentang penjualan DPT *Bulk* , yang berlaku hingga 8 April 2013, dan telah dilakukan amandemen II sesuai perjanjian No.02958/DIR/V/2012 tanggal 9 Mei 2012 yang memperbaharui masa berlaku hingga 31 Desember 2016.
11. Perjanjian No.04358/DIR/ VI/2009 tanggal 12 Juni 2009 dengan The Biologicals and Vaccines Institute of Southern Africa (Proprietry) Limited (BIOVAC), South Africa. BIOVAC tentang penjualan TT *High Purity* , yang berlaku hingga 31 Desember 2015.
12. Perjanjian No.09439/DIR/XII/2009 tanggal 10 Desember 2009 dengan Bionet Asia Co.Ltd tentang pemasaran produk Bio Farma berupa *bulk* dan *finished Product* (Vaccine), yang berlaku hingga 31 Desember 2014, dan telah dilakukan amandemen II dengan perjanjian No.02956/DIR/V/2012 tanggal 9 Mei 2012 yang memperbaharui masa berlaku hingga 31 Desember 2016.
13. Perjanjian tanggal 4 Agustus 2006 dengan The Biologicals and Vaccines Institute of Southern Africa (Proprietry) Limited (BIOVAC), South Africa. BIOVAC akan membeli produk Perusahaan berupa *Purified Diphteria Toxoid, Pertussis Bulk, Purified Tetanus Toxoid,* yang berlaku hingga 31 Desember 2015.

39. SIGNIFCANT AGREEMENTS AND COMMITMENTS (continued)

This agreement was amended by agreement (amendment I) No.03097/DIR/ V/2012 dated May 14, 2012 that renew the period of the agreement until December 31, 2017, agreement (amendment II) No.05265/ DIR/IX/2013 dated September 30, 2013 that change the contract price, and agreement (amendment III) No.05663/DIR/XI/2014 dated November 17, 2014 that renew the period of the agreement until December 31, 2019.

8. Agreement No.04394/DIR/VI/2010 dated June 30, 2010 with the Universal Exim regarding the agreement of marketing of selling Monovalent PoliomyelitisvBulk and DTP Bulk, which is valid until March 31, 2014. This agreement was amended by amendment IX No.08905/DIR/VII/2013 dated July 12, 2013 that renew the period of the agreement until March 31, 2016, amendment X No.06724/DIR/XII/ 2013 dated December 17, 2013 that change the price included in the agreement, and amendment XI No.01512/DIR/III/2015 dated March 9, 2015 that change the price and renew the period of the agreement until March 31, 2019.

9. Agreement No.02051/DIR/III/2010 dated March 30, 2010 with the BioNET ASIA CO.LTD for the sale of Poliomyelitis Bulk, which is valid until March 30, 2013. On May 9, 2012, this agreement was amended by amendment II No.02957/DIR/V/2012 that renew the period of the agreement until December 31, 2016.

10. Agreement No.02305/DIR/IV/2010 dated April 8, 2010 with the BioNET ASIA CO.LTD for the sale of DPT Bulk, which is valid until April 8 2013. This agreement was amended on May 9, 2012 by amendment II No.02958/DIR/V/2012 that renew the period of the agreement until December 31, 2016.

11. Agreement No.04358/DIR/VI/2009 dated June 12, 2009 with the Biologicals and Vaccines Institute of Southern Africa (Proprietry) Limited (BIOVAC), South Africa regarding the sale of TT High Purity, which is valid until December 31, 2015.

12. Agreement No.09439/DIR/XII/2009 dated December 10, 2009 with the BioNET Asia Co.Ltd regarding the marketing of the Company's products of bulk and finished products (vaccines), which is valid until December 31, 2014, and was amended on May 9, 2012 by amendment II No.02956/DIR/V/2012 that renew the period of the agreement until December 31, 2016.

13. Agreement dated August 4, 2006 with the Biologicals and Vaccines Institute of Southern Africa (Proprietry) Limited (BIOVAC), South Africa.The BIOVAC will purchase the Company's products of Purified Diphteria Toxoid, Pertussis Bulk, Purified Tetanus Toxoid that is valid untuk December 31, 2015.

39. PERJANJIAN DAN PERIKATAN PENTING (lanjutan)

e. Perusahaan menandatanganani Perjanjian Kredit Modal Kerja R*evolving* No.CDO.BDG/319/KMK/2015 tanggal 14 Agustus 2015 dengan PT Bank Mandiri (Persero) untuk jangka waktu satu tahun dari 15 Agustus 2015 sampai dengan 14 Agustus 2016 (perpanjangan). Fasilitas kredit meliputi n*on cash loan* untuk penerbitan LC Impor/SKDN (Sight, Usance & UPAS)/BG dengan sub limit *Trust Receipt, Fasilitas Treasury Line, dan Purchasing Line*. Jaminan berupa Mesin, Inventaris, dan Peralatan Pabrik yang berlokasi di Jl.Pasteur No.28 Bandung dengan nilai penjaminan sebesar IDR135.000.000.000 yang diikat secara fidusia.

f. Perusahaan menandatangani perjanjian perpanjangan Kredit Modal Kerja Ekspor (KMKE) dengan Lembaga Pembiayaan Ekspor Indonesia (LPEI) / Indonesia Eximbank sesuai dengan Surat Persetujuan Perpanjangan Fasilitas Pembiayaan (SPPFP) No. PDB/ SP3/45/2015 tanggal 15 Juni 2015 dan Perubahan Perjanjian Kredit Modal Kerja Ekspor No. 162/ADDPK/06/ 2015 tanggal 23 Juni 2015 untuk perpanjangan jangka waktu kredit sampai dengan 24 Juni 2016. Fasilitas kredit meliputi kredit modal kerja ekspor (KMKE) transaksional dan atau fasilitas non-cash loan (pembukaan LC Sight/ Usance/UPAS dan/atau pembiayaan LC Impor (Post Import Financing) dan/atau pembukaan SKBDN dan /atau pembiayaan SKBDN dan/atau Trust Receipt dan/atau pembelian tagihan ekspor/SKBDN dan/atau pembelian tagihan atas dasar non LC/SKBDN);

Kredit dijamin oleh Piutang Usaha dengan nilai penjaminan sebesar Rp16.800.000.000, Persediaan Barang dengan nilai penjaminan sebesar Rp34.700.000.000 dan Mesin, Inventaris, dan Peralatan Pabrik yang berlokasi di Jl. Pasteur No.28 Bandung dengan nilai penjaminan sebesar IDR.80.500.000.000 yang diikat secara fidusia.

39. SIGNIFCANT AGREEMENTS AND COMMITMENTS (continued)

e. The Company entered into Agreement of Working Capital Credit Revolving No.CDO.BDG/319/KMK/2015 dated August 14, 2015 with PT Bank Mandiri (Persero), Tbk for one year from August 15, 2015 to August 14, 2016 (extension). This credit includes a non-cash loan facility for the issuance of LC Import/SKDN (Sight, Usance & UPAS)/BG with sub limit Trust Receipt, Treasury Line Facilities, and Purchasing Line. The loan is fiducialy secured by machineries, office equipments, and factory equipments which are located at Jalan Pasteur No.28 Bandung with the value of IDR135.000.000.000.

f. The Company entered into an agreement of the extension of the Export Working Capital Credit (KMKE) from the Indonesia Eximbank (Lembaga Pembiayaan Ekspor Indonesia - LPEI). The credit facility, in accordance with Letter of Acceptance for Financing Facility (SPPP) No.PBD/SP3/45/2015 dated June 15, 2015, and Amendment of the Agreement of Export Working Capital Loan No.162/ADDPK/06/ 2015 dated June 23, 2015 for the extension of the credit term until June 24, 2016, includes Export Working Capital Credit Facility (KMKE) Transactional and/or Non Cash Loan Facility (Opening LC Sight/Usance/ UPAS) and/or LC Import Financing (Post Import Financing) and/or Opening SKBDN and/or SKBDN Financing and/or Trust Receipt and/or Export Bills Purchase/SKBDN and/or Bill Purchase on the basis of Non LC/SKBDN);

This loan is fiducialy secured by Trade Receivables with a guarantee value of Rp16.800.000.000, and Inventories with a guarantee value of Rp34.700.000.000 and Machinery, Office Equipments and Factory Equipments with a guarantee value of IDR80.500.000.000 located at Jalan Pasteur No.28 Bandung

40. MANAJEMEN RISIKO KEUANGAN

a. Risiko Keuangan

Risiko keuangan utama yang dihadapi Perusahaan adalah risiko kredit, risiko mata uang, risiko suku bunga dan risiko likuiditas. Melalui pendekatan manajemen risiko, Perusahaan mencoba meminimalkan potensi dampak negatif dari risiko risiko di atas.

(i). Risiko Kredit

Risiko kredit adalah risiko dimana salah satu pihak atas instrumen keuangan akan gagal memenuhi kewajibannya dan menyebabkan pihak lain mengalami kerugian keuangan. Instrumen keuangan Perusahaan yang mempunyai potensi atas risiko kredit terdiri dari kas dan setara kas di bank, piutang usaha dan piutang lain dan aset keuangan tersedia untuk dijual dalam bentuk Reksadana Penyertaan Terbatas (RDPT) PNM Pembiayaan Industri Telekomunikasi BUMN 2013. Jumlah eksposur risiko kredit maksimum sama dengan nilai tercatat atas akun akun tersebut.

40. FINANCIAL RISK MANAGEMENT

a. Financial Risk

The main financial risks faced by the Company are credit risk, currency risk, interest rate risk and liquidity risk. The Company applies risk management to minimize the potential negative impacts of the risks.

(i) Credit Risk

Credit risk represents the risk that one party will fail to meet its obligations and cause the other party suffered financial losses from financial instruments. The Company's financial instruments that potentially containing credit risk are cash and cash equivalents, trade receivables, other receivables and financial asset available for sale in mutual fund of limited investment (RDPT) "PNM Pembiayaan Industri Telekomunikasi BUMN 2013" . Total maximum credit risk exposures are equal to the carrying value of these accounts.

40. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Manajemen Risiko Keuangan (lanjutan)

(i). Risiko Kredit (lanjutan)

Untuk risiko penjualan kredit, Perusahaan mensyaratkan adanya bank garansi atau LC dengan limit tertentu. Untuk risiko kredit yang berhubungan dengan bank, hanya bank dengan predikat baik yang dipilih. Selain itu, kebijakan Perusahaan adalah untuk tidak membatasi eksposur hanya kepada satu institusi tertentu, sehingga Perusahaan memiliki kas dan setara kas di berbagai bank.

Tabel di bawah ini menggambarkan eksposur maksimum risiko kredit dan konsentrasi risiko yang dimiliki Perusahaan:

40. FINANCIAL RISK MANAGEMENT (continued)

a. Financial Risk (continued)

(i). Credit Risk (continued)

For credit sales risks, the Company applies the requirement of having bank guarantee or LC with certain limit. For credit risk associated with banks, the Company chooses only well-predicate banks. In addition, the Company's policy is not restrict the exposure to one particular institution only, therefore, the Company has cash and cash equivalents at various banks.

The following table shows the maximum exposure of credit risk and risk concentration of the Company:

	Konsentrasi Risiko Kredit / *Credit Risk Concentration*		Eksposur Maksimum / *Maximum Exposure*	
	Institusi / *Institution*	Lain-lain / *Others*		
Piutang Usaha	507.746.089.376	-	507.746.089.376	*Trade Receivables*
Piutang Lain-lain	1.302.637.458	3.194.971.060	4.497.608.518	*Other Receivables*
	509.048.726.834	3.194.971.060	512.243.697.894	

(ii). Risiko Mata Uang

Risiko mata uang adalah risiko fluktuasi nilai instrumen keuangan yang disebabkan perubahan nilai tukar mata uang asing.

Perusahaan menggunakan mata uang asing dalam transaksi pengadaan barang/jasa dan penjualan ekspor dengan pihak luar negeri serta pengeluaran biaya operasional sehingga terdapat risiko fluktuasi nilai tukar mata uang asing terhadap Rupiah yang berlangsung sejak transaksi terjadi sampai dengan pembayaran dilakukan atau diterima.

Disamping terkena eksposur transaksi yang dapat menyebabkan kerugian arus kas dimasa yang datang pada saat menerima atau melakukan pembayaran, juga Perusahaan akan terkena eksposur ekonomi karena melakukan transaksi perdagangan internasional. Perusahaan akan menghadapi risiko penurunan nilai pendapatan atau peningkatan biaya akibat fluktuasi nilai tukar sehingga harga jual produk menjadi tidak kompetitif dibanding pesaing baik di pasar global atau pesaing asing di pasar domestik.

Penerimaan hasil penjualan ekspor yang didominasi oleh mata uang Dolar AS (USD) secara tidak langsung merupakan lindung nilai alami {*natural hedging*) terhadap *eksposur* fluktuasi nilai tukar. Namun demikian, karena posisi penerimaan dalam valuta asing lebih besar dibanding kebutuhan (long position) serta terdapat pengeluaran untuk pengadaan barang impor dalam mata uang asing non USD, maka Perusahaan mempunyai eksposur yang signifikan terhadap fluktuasi mata uang asing.

(ii). Currency Risk

Currency risk represents the risk of value fluctuations of the financial instruments due to changes in foreign currency exchange rates.

The Company uses foreign currency in performing transactions of procurement of goods/services from and of export selling to foreign parties, and disbursements for operating activities, so that there are risk of fluctuations in foreign currency exchange rates against the Rupiah since the transactions occurred until the payments are made or received.

In addition to be exposed to transactions that can lead to suffer losses of future cash flows when receives or making payments, the Company also will be affected by the economic exposures because of doing international trade transactions. The company faces risks of income impairment or increased costs due to exchange rate fluctuations so the selling price of the Company's products becomes uncompetitive both compared to competitors in global market and foreign competitors in the domestic market.

Cash receipts from export sales that are dominated by the US dollar {USD) indirectly represent a natural hedging against the exposure of exchange rate fluctuations. However, because the amount of cash receipts in foreign currencies is greater than that of the needs (long position), and there are expenditures for procurement of imported goods in foreign currencies other than USD, the Company has a significant exposure to foreign currency fluctuations.

40. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Manajemen Risiko Keuangan (lanjutan)

(ii). Risiko Mata Uang (lanjutan)

Untuk menghindari risiko fluktuasi nilai tukar di atas, Perusahaan melakukan lindung nilai alami dengan menyeimbangkan penerimaan dan pengeluaran mata uang asing dengan cara memelihara saldo mata uang asing sesuai kebutuhan, mengalihkan harga beli barang/jasa dengan Vendor Luar Negeri dari non USD ke USD, dan menjual sisa kebutuhan USD secara bertahap sesuai proyeksi kebutuhan arus kas dan harga pasar.

(iii). Risiko Suku Bunga

Risiko suku bunga adalah risiko fluktuasi nilai instrumen keuangan yang disebabkan perubahan suku bunga pasar.

Perusahaan melakukan pengawasan terhadap dampak pergerakan tingkat suku bunga untuk meminimalisasi dampak negatif terhadap Perusahaan. Tabel di bawah ini menggambarkan detail jatuh tempo aset dan liabilitas keuangan Perusahaan yang dipengaruhi oleh tingkat suku bunga.

40. FINANCIAL RISK MANAGEMENT (continued)

a. Financial Risk (continued)

(ii). Currency Risk (continued)

To avoid risks of exchange rate fluctuations, the Company makes a natural hedging by maintaining the balance of foreign currency receipts and disbursements through maintaining cash balance as needed, changing the purchase price of goods and services from foreign vendors denominated in non-USD to USD, and gradually selling the remaining needs of USD in accordance with projected cash flows and the market price.

(iii) Interest Rate Risk

Interest rate risk is risk associated with value fluctuations of financial instruments due to changes in market interest rates.

The Company controls the impact of the fluctuations in interest rates in order to minimize their negative impact on the Company. The table below describes the detail of the maturity of the financial assets and liabilities that are affected by interest rates.

31 Desember 2015 / *December 31, 2015*

	Suku Bunga Mengambang / Floating Interest Rate		Suku Bunga Tetap / Fixed Interest Rate				
	Kurang dari 1 tahun / *Less than 1 year*	Lebih dari 1 tahun / *More than 1 year*	Kurang dari 1 tahun / *Less than 1 year*	Lebih dari 1 tahun / *More than 1 year*	Tidak dikenakan bunga / *No interest charged*	Jumlah / *Total*	
Aset							*Assets*
Kas dan Setara Kas	346.754.915.461	-	209.001.583.500	-	182.759.333	555.939.258.294	*Cash and Cash Equivalents*
Jumlah aset keuangan	346.754.915.461	-	209.001.583.500	-	182.759.333	555.939.258.294	*Total financial assets*
Jumlah gap suku bunga	**346.754.915.461**	**-**	**209.001.583.500**	**-**	**182.759.333**	**555.939.258.294**	***Total interest rate gap***

(iv) Risiko Likuiditas

Risiko Likuiditas adalah risiko dimana Perusahaan akan mengalami kesulitan dalam rangka memperoleh dana untuk memenuhi komitmennya terkait dengan instrumen keuangan.

Perusahaan mengelola risiko likuiditas dengan mempertahankan kas dan setara kas yang mencukupi untuk memungkinkan Perusahaan memenuhi komitmen kepada semua pihak dan melakukan pengawasan proyeksi dan arus kas aktual secara terus menerus serta pengawasan tanggal jatuh tempo aset dan kewajiban keuangan.

(iv) Liquidity Risk

Liquidity risk is the risk in which the Company will suffer difficulties in acquiring funds to meet its commitments associated with its financial instruments.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents to enable the Company to meet the commitments to all parties, and continuously supervising the projected and actual cash flows, and monitoring the maturity date of its financial assets and liabilities.

b. Nilai Wajar Aset dan Liabilitas Keuangan

Nilai wajar adalah suatu jumlah dimana aset dapat ditukar, atau liabilitas dapat diselesaikan dengan transaksi *arms length* .

Perusahaan memperhitungkan nilai wajar aset dan liabilitas keuangan jangka pendek mendekati nilai tercatatnya karena pendiskontoan yang tidak signifikan.

Pada 31 Desember 2015, tidak ada liabilitas keuangan Perusahaan yang diklasifikasikan sebagai pinjaman jangka panjang.

b. Fair Value of Financial Assets and Liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, under the arms-length transactions.

The Company considers the fair value of its short-term financial assets and liabilities approximate to their carrying value as the impact of not significant discounting.

On December 31, 2015, the Company has not any financial liability that classified as long-term loans.

41. TANGGUNG JAWAB ATAS LAPORAN KEUANGAN

Manajemen Perusahaan bertanggung jawab atas penyusunan laporan keuangan yang diotorisasi untuk diterbitkan pada tanggal 4 Februari 2016.

41. RESPONSBILITY ON THE FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of the financial statements that are authorized to issue on February 4, 2016.

CROSS REFERENCE TO OJK RULE

	CRITERIA + DESCRIPTION		PAGE
I.	**General**		
1.	Written in good and correct Indonesian, and it is recommended to present the report in English as well.		√
2.	Printed with good quality, using readable type and size of font.		√
3.	Corporate identity should be stated clearly.	Name of company and year of the Annual Report is placed on: 1. the Front cover 2. Side cover 3. Back cover 4. Every page	√
4.	The Annual Report is posted in the Company's website	Including the latest Annual Report and at least the previous 4 years reports	√
II.	**Financial Highlights**		
1.	Financial information in comparative form over a period of three financial years or since operation commence date if company has been operational less than three years.	Information covers at least: 1. Sales/operating income 2. Profit (loss) 3. Comprehensive total profit (loss) 4. Profit (loss) per share	24-25, 31
2.	Financial information in comparative form over a period of three financial years or since operation commence date if company has been operational less than three years.	Information includes: 1. Total investment in associates and/or joint ventures 2. Total assets 3. Total liabilities 4. Total equity	26-28, 31
3.	Financial ratios in comparative form over a period of three financial years or since operation commence date if company has been operational less than three years.	Information includes five general ratios that are relevant to company's business.	29, 31
4.	Share price in table and graph.	1. Information in tables and graphs depicts: a. Number of shares in circulation b. Market capitalization; c. Highest, lowest and closing share prices; and d. Trade Volume 2. Share transaction volume for every quarter in the last two financial years (if any).	30 (N/A)
5.	Information on total bonds, sukuk or convertible bonds outstanding in the last two financial years.	Information describes: 1. Total outstanding bonds/sukuk/convertible bonds 2. Coupon rate 3. Maturity date 4. Bond/sukuk rating	30 (N/A)

CRITERIA + DESCRIPTION			PAGE
III. Board of Commissioners and Directors Report			
1.	Board of Commissioners Report	1. Evaluation of Board of Directors performance 2. Review of business prospects stated by Board of Directors 3. Evaluation on performance of committees under the Board of Commissioners; and 4. Changes in the composition of the Board of Commissioners (if any) and the reasons of the changes	34-37
2.	Board of Directors Report	Contains the following information: 1. Analysis of company performance: strategic policy, comparison of result and target, problems facing the company 2. Business prospects 3. Good corporate governance practice 4. Changes in the composition of the Board of Directors (if any), and the reasons of the changes	38-46
3.	Signatures of Board of Commissioners and Board of Directors members	Provides the following information: 1. Signatures are printed on a separate sheet 2. Statement of Board of Commissioners and Board of Directors that they are fully responsible for the validity of annual report 3. Signatures, names and positions of all members of Board of Commissioners and Board of Directors 4. Separate written statement of any member of Board of Commissioners or Board of Directors not signing the report, or separate written statement of other members in case there is no explanation from the member who does not sign the report.	47
IV. Corporate Profile			
1.	Name and address	Information includes name, address, postal code, telephone and/or fax number (s), e-mail and website	50
2.	Brief history	Description includes date of establishment, name and change of name (if any)	52-55
3.	Line of business	Description regarding: 1. Line of business in accordance with articles of association 2. Line of business; and 3. Products or services provided	56-57
4.	Organization structure	In the form of chart, depicting names and positions at least to one level below board of directors.	58-59
5.	Vision and mission	Elaborates on: 1. Corporate vision 2. Corporate mission 3. Statement that corporate vision and mission are approved by Board of Directors/Board of Commissioners 4. Statement concerning the corporate culture in the company.	60-61

	CRITERIA + DESCRIPTION		PAGE
6.	Identity and brief curriculum vitae of Board of Commissioners Members	Information includes: 1. Name 2. Position (incl. position in any other company or institution) 3. Age 4. Education 5. Working experience 6. Date of first appointment as member of Board of Commissioners	60-67
7	Name, title, and brief curriculum vitae of the members of the Board of Directors.	The information should contain: 1. Name 2. Title (including position in other company or institution) 3. Age 4. Domicile 5. Education (Field of Study and Institutions) 6. Working experience (Position, Institution/Company and 7. Period Served) 8. Date of first appointment to the Board of Directors in the Company	68-73
8	Number of employees (comparative in two years) and description of competence building (for example: education and training of employees).	The information should contain: 1. The number of employees for each level of the organization. 2. The number of employees for each level of education. 3. The number of employees based on employment status 4. The description and data of employees competencies development program that has been conducted, which also reflect equal opportunity to all employees, for each level of the organization; and 5. Expenses of employees competencies development program incurred.	82-84 80 80
9	Composition of shareholders	1. The details include the name of 20 largest shareholders and their percentage of ownership; 2. The details of shareholders and their percentage of ownership, including: a. Names of shareholders having 5% or more shares b. Directors and Commissioners who own shares 3. Groups of public shareholders with less than 5% ownership each.	86 (NA)
10.	Subsidiaries and/or affiliates	Information contains at least: 1. Name of subsidiaries/affiliates 2. Percentage of share ownership 3. Core business of subsidiaries/affiliates 4. Operating status of subsidiaries/affiliates (operational or non operational)	86 (NA)

CRITERIA + DESCRIPTION			PAGE
11.	Company Group Structure	Structure describes the subsidiary, affiliates, joint ventures, special purpose vehicle (SPV) or statement of not owning any group	86 (NA)
12.	Share listing chronology	Information describes at least: 1. Share listing chronology 2. Corporate action affecting total number of shares 3. Changes of share total number from initial listing to end of financial year 4. Name of bourse(s) where company shares are listed	86 (NA)
13.	Other securities listing chronology	Description includes among other things: 1. Other securities listing chronology 2. Corporate action affecting total number of other securities 3. Changes of securities total number from initial listing to end of financial year 4. Name of bourse(s) where securities are listed 5. Securities rating	87 (NA)
14.	Name & address of capital market institutions and professionals	Information with regard to: 1. Name & address of Share Registrar 2. Name & address of public Accountant 3. Office name & address of Rating Agency	87
15	Awards and/or certifications received by company at national and international level	Information includes, among other things: 1. Name of award and/or certification 2. Year awarded 3. Agency issuing the award and/or certification 4. Validity period (for certification)	88-97
16	Name and address of subsidiaries or branches or representative offices (if any)	Containing information of, among others: 1. Name and address of subsidiary; and 2. Name and address of branch/representative office. Note: If company does not have a subsidiary/branch/ representative office, this should be disclosed	87
V.	**Management Discussion and Analysis**		
1.	Review of business operations per business segment	Contains information on: Explanation of each business segment. Performance by business segments, among others: a. Production/business activity; b. Increase/decrease in production capacity; c. Sales/income from business; d. Profitability.	109-121
2.	Description of financial performance	Comparative financial analysis of current and previous years (in narration and table), covering: 1. Current assets, non-current assets, total assets 2. Current liabilities, non-current liabilities, total liabilities 3. Equity 4. Total comprehensive profit (loss) net profit 5. Cash flow	 122-124 124-126 126 127-137 138
3.	Discussion and analysis on the capacity to pay debts and the company's accounts receivable collectibility, by presenting the relevant ratios calculated in accordance with the type ofindustry of the company	Explanation on: 1. Ratio solvability 2. Account receivable collectability ratio	 140 141

CRITERIA + DESCRIPTION			PAGE
4.	Discussion of capital structure and capital structure policy	Explanation on: 1. Details of capital structure, consisting of interest-bearing debts and equity; and 2. Management policies of the capital structure, and the basis of the such policies	141-142
5.	Discussion on material ties for the investment of capital goods, on last fiscal year	Description of: 1. Purpose of commitment 2. Funding sources to honor commitment 3. Currency 4. Action plans to hedge foreign currency risks Note: if company has no commitment in capital expenditure, it should be stated	143
6.	Discussion on investment of capital goods realized in the last fiscal year	Description on: 1. Type of capital goods investment 2. The aim of capital goods investment; and 3. The value of capital goods investment incurred in the last financial year. Note: if there is no capital goods investment realization, state so	144-148
7.	Comparative information between targets in beginning of financial year and results achieved, also targets or projection for one year to come of revenue, profit, capital structure and others deemed important by company	Information includes, among other things: 1. Comparison between targets in beginning of financial year and results achieved 2. Targets or projections for one year to come	149-151 152-155
8.	Material information and fact subsequent to date of accountant report	Description of significant events subsequent to accountant report including the effects on company's future performance and business risk. Note: if there is no significant event subsequent to accountant report, state so	155
9.	Description of company business prospects	Description of business prospects in relation to industry and general economic condition, with supporting quantitative data from reliable sources	156-159
10.	Description of marketing aspect	Description of marketing of products and/or services, covering marketing strategy and market share of the company	160-162
11.	Description of dividend policy, total cash dividend per share and total dividend per year declared and paid for the past two financial years	Description includes: 1. Policy of dividend sharing 2. Total cash dividend 3. Total cash dividend per share 4. Payout ratio for each year 5. Date of announcement and payment of cash dividends for each year. Note: if no dividend is paid, state the reason	163-164

	CRITERIA + DESCRIPTION		PAGE
12.	Employee Stock Option (ESOP) and Management Stock Option (MSOP	Information on the following: 1. Number of ESOP/MSOP stocks and the realization; 2. Tenure; 3. Requirement of rightful employee and/or management and 4. Exercise price. Note: if there is no such program, state so	164 (N/A)
13.	Application of public offering proceeds (if company is still required to make such report)	Description of the following: 1. Total fund acquired 2. Proposed application of fund 3. Detail of fund application 4. Balance of fund 5. Date of GMS approval for revised fund application, (if any)	164 (N/A)
14	Information on material transactions with conflict of interest-and/or transactions with related parties	1. Name of the transacting parties and nature of related parties; 2. A description of the fairness of the transaction 3. Reason for the transaction 4 Realization of transactions during the period 5. Company policies regarding the review mechanism on the transactions 6. Compliance with related rules and regulations Note: should be disclosed if there are no such transactions	164
15	Description of changes in laws and regulations significantly affecting the company	Describe changes in government policy and the effects on the company Note: if there are no significant changes in laws and regulations, state so	164
16	Description of changes in accounting policies	Description should contain among others: Any revision to accounting policies, rationale and impact on the financial statement	165-166
17	Information on business continuity:	1. Issues that may have significant impact on the continuity of business in the last fiscal year; 2. Management assessment on issues in point 1; and 3. Assumption used by the management in making the assessment Note: If there is no issues that may have significant impact on the continuity of business in the last fiscal year, disclose the assumption used by management to arrive at the assessment that there is o issues that may have significant impact on the continuity of business in the last fiscal year	167

CRITERIA + DESCRIPTION			PAGE
VI. Good Corporate Governance			
1.	Description of Board of Commissioners	The information should contain: 1. Description of the responsibility of the Board of Commissioners. 2. Training program for enhancing Board of Commissioners' competence 3. Disclosure of Board Charter (guidance and work procedure of the Board of Commissioners)	193-201 208 209
2.	Description of Board of Directors	Comprising, among others: 1. Criteria of selecting Independent Commissioner; and 2. Statement on each Independent Commissioner's independence	210-211
3.	Description of Board of Directors	Description include: 1. Scope of duty and responsibility of each member of Board of Directors 2. Training program for enhancing Board of Directors' competence 3. Disclosure of Board Charter (guidance and work procedure of the Board of Directors)	213-219 227-228 228-229
4.	Assessment of members of Board of Commissioners and Board of Directors	1. Procedures of fixing remuneration 2. Remuneration structure showing type and amount of short-term, long-term and post employment benefits for each member of Board of Directors 3. Performance indicator of Board of Directors	231-237
5.	Description of the remuneration policy for the Board of Commissioners and Board of Directors	Includes among others: 1. Disclosing the remuneration procedures for the Board of Commissioners 2. Disclosing the remuneration procedures for the Board of Directors 3. Remuneration structure, disclosing the type and amount of short-term and long-term compensation/ post service benefits for each member of the Board of Commissioners 4. Remuneration structure, disclosing the type and amount of short-term and long-term compensation/ post service benefits for each member of the Board of Directors; and 5. Performance indicators to determine the remuneration of the Board of Directors.	201-203 238-239
6	Frequency of meetings and attendance of the Board of Commissioners in the BOC meetings, BOD meetings and BOD& BOC joint meetings	Includes among others: 1. Meeting Date 2. Attendance of the meetings 3. Agenda of the meetings for every BOC meetings, BOD meetings and BOD & BOC joint meetings	205-207 221-226
7.	Information on Principal Shareholders and Controlling Shareholders, either directly or not directly, through to individuals	In the form of chart or diagram. unless for SOE which entirely owned by the Government	239

CRITERIA + DESCRIPTION			PAGE
8	Disclosure of affiliate relation between Board of Commissioners, Directors, and principal shareholders and/or controlling shareholders	Information includes among other things: 1. Affiliate relation between Board of directors member and other Board of directors member 2. Affiliate relation between Board of directors member and Board of commissioners member 3. Affiliate relation between Board of directors member and Principal shareholder and/or Controlling Shareholder 4. Affiliate relation between Board of commissioners member and other Board of commissioners member 5. Affiliate relation between Board of commissioners member and Principal shareholder and/or Controlling Shareholder Note: if no such affiliate relation exists, state so	240-241
9	Audit Committee	Information includes: 1. Name and position of members 2. Qualification and experience of members 3. Independence of members 4. Duty and responsibility 5. Activity report 6. Audit Committee meeting frequency and attendance rate	242-251
10	Nomination and Remuneration Committee	1. Name, title, and brief curriculum vitae of the members of the committees 2. Independence of the members of the Nomination and/or Remuneration Committee/Function. 3. Description of the tasks and responsibilities 4. Activities carried out by the Nomination and/or Remuneration Committee/Function. 5. Frequency of meetings and the attendance rate of the Nomination and/or Remuneration Committee/ Function. 6. Statement disclosing the existence of charter for nomination and/or remuneration committee and/or function; and 7. Board of Directors succession policy	252 (N/A) 209
11	Other Committees under Board of Commissioners	Information covers at least: 1. Name, title, and brief curriculum vitae of the members of the committees 2. Independence of the members of the committee. 3. Description of the tasks and responsibilities. 4. Activities carried out by the committees 5. Frequency of meetings and the attendance rate of other	254-262
12	Description of tasks and function of the Corporate Secretary.	Includes among others: 1. Name, domicile and brief history of the position of Corporate Secretary. 2. Description of the tasks performed by the Corporate Secretary. 3. Training programs for improving the competence of the Corporate Secretary	265-267

CRITERIA + DESCRIPTION			PAGE
13	Information on previous year's General Meeting of Shareholders (GMS)	Comprising, among others: 1. Resolutions from AGMS of the previous fiscal year 2. Realization of previous fiscal year AGMS results; and 3. Reason if there is a decision of the AGMS has not been realized.	268-276
14	Description of the company's internal audit unit.	Description of: 1. Name of head of internal audit unit 2. Total employees of internal audit unit 3. Professional internal audit qualification/certification 4. Structure and position of internal audit unit 5. Activity report 6. Party appointing/terminating head of internal audit unit	277-284
15	Public accountant.	The information should contain: 1. Name and year public accountant audited the financial statements on the last 5 years 2. Name and year public accountant firm audited the financial statements on the last 5 years 3. The amount of fees for the audit and other attestation services on the last fiscal year 4. Other service provided by the accountant in addition to financial audit on the last fiscal year Note: should be disclosed if there are no other services	285-286
16.	Description of company's risk management	Includes among others: 1. Risk management system 2. Evaluation of effectiveness of risk management system 3. Risks facing the company 4. Efforts to manage such risks	287-294
17	Description of internal control system	Includes among others: 1. Brief report on internal control system, including financial and operational control 2. Description of compatibility between the internal control system and internationally recognized internal control framework (COSO) 3. Evaluation of effectiveness of internal control system	295-296
18	Description of corporate social responsibility related to environment	Description includes information on: 1. Management Policies 2. Activities conducted, Environment-related activities, that relevant with operational activity of the company, such as usage of recycled materials, energy, waste treatment, etc 3. Environmental certification owned by the Company	330-333
19	Description of corporate social responsibility related to employment, work health and safety	Comprising information on, among others: 1. Management Policies; and 2. Activities conducted health and safety-related activities, such as gender equality, equal work opportunity, work and safety facilities, employee turnover, work incident rate, training, etc.	334-335

CRITERIA + DESCRIPTION			PAGE
20	Description of corporate social responsibility related to social and community development	Contains information on, among others: 1. Management Policies 2. Activities Financial effect of these activities in relation to employment, work safety and health, gender equality and equal opportunity, working facilities, employee turnover, work-related accident rate, training, etc. 3. The costs incurred related to social and community development, such as utilization of local workers, development of community surrounding the company's premise, social facility and infrastructure improvement, other donations, etc.	336-342
21	Description of corporate social responsibility in relation to customer	1. Management Policies 2. Activities conducted In relation to customer's health and safety, product information, means of handling customer complaints, total number of customer complaints settled, etc.	342-344
22	Description of significant cases faced by the company, subsidiaries, incumbent members of Board of Directors and Board of Commissioners	Information includes among others: 1. Substance of cases/claims 2. Status of cases/claims settlement 3. Potential impacts on company's financial condition 4. Administrative penalty imposed on subsidiary, members of Board of Directors and Board of Commissioners, by the related authority (capital market, bank, etc) in the last financial year Notes: in case not litigants, to be disclosed	296
23	Public access to corporate data and information	Elaboration on availability of public access to corporate data and information, through website, mass media, mailing list, bulletin, analyst meeting, etc.	297-300
24	Discussion of code of conduct	1. Content of the Code of Conduct. 2. Disclosure on the relevancy of the code of conduct for all levels of the organization 3. Socialization of the Code of Conduct 4. Type of sanction for each violation of code of conduct; and 5. The number of violation of code of conduct and sanction thereof in the last fiscal year. Note: To be disclosed if there is no violation to the code of conduct in the last fiscal year	301-305
25.	Elaboration on whistleblowing system	Description of the mechanism of the whistleblowing system, including: 1. Method of reporting 2. Protection of whistle-blower 3. Handling of reports 4. Party that handles reports 5. Output of reports handled Note: to be disclosed if there is no complaint received in the last fiscal year	307-315
26	The policy about diversity of the Board of Commissioners and	Description of the Company's policy regarding the composition diversity of the Board of Commissioners and Board of Directors in education (field of study), work experience, age, and gender. Note: if there is no defined policy, the reasons and considerations is to be disclosed.	315

CRITERIA + DESCRIPTION			PAGE
VII. Financial Information			
1.	Statement of Board of Directors regarding its responsibility of financial statement	Compliance with Bapepam-LK Regulation No.VIII.G.11 on Responsibility of the Board of Directors on the Financial Statement.	347
2.	Independent auditor's opinion on financial statement		348-350
3.	Description of independent auditor in opinion	Description contains: 1. Name and signature 2. Date of audited report 3. License number of Public Accountant office and license number of Public Accountant	348-350
4.	Full financial statement	Contains all financial statement elements: 1. Balance sheet 2. Comprehensive Profit loss statement 3. Changes in equity report 4. Cash flow report 5. Notes to financial statement 6. Comparative information of the previous period; and 7. Financial statement at the beginning of comparative periods when the company implements accounting policy retrospectively or restates financial statement accounts, or reclassifies financial statement accounts (where applicable)	351-356 356
5.	Comparison of profitability ratio	Comparison of current and previous year profit (loss)	352
6.	Presentation of cash flow report	Meets the following provisions: 1. Classification of activities in three categories: operating, investing and financing activities 2. Usage of direct method in reporting cash flow from operating activities 3. Separate presentation of cash income/expense in current year in operating, investing and financing activities 4. Disclosure of non-cash activities in notes to financial statement	255
7.	Description of accounting policy	Description contains at least: 1. Statement of compliance with SFAS 2. Basis of financial statement measurement and presentation 3. Recognition of income and expense 4. Fixed assets 5. Financial instruments	359-371

CRITERIA + DESCRIPTION			PAGE
8.	Disclosure of related-party transactions	Items to be disclosed include: 1. Name of related parties, nature of relationship to related parties 2. Value of transactions and percentage to relevant total income and expense 3. Transaction balance and percentage to total assets or liabilities	398
9.	Disclosure of tax obligations	Issues that should be disclosed: 1. Fiscal reconciliation and calculation of current tax. 2. Explanation on the relation between tax expenses (benefit) and accounting/book profit 3. Statement that the amount of Taxable Profit as calculated through reconciliation is in accordance with the Tax Return. 4. Details of deferred tax assets and liabilities recognized on the financial position (balance sheet) for each reporting period, and the amount of deferred tax expenses (benefit) recognized in the profit/loss statement in the event that the amount is not recognizable from the amount of deferred tax assets and liabilities presented on the financial position (balance sheet) 5. Statement whether or not there is any tax dispute	377-380
10.	Disclosure of fixed assets	Issues that should be disclosed: 1. Depreciation method applied 2. Description of the selected accounting policies between the revaluation model and cost model 3. The methods and significant assumptions used in estimating the fair value of fixed assets (revaluation model) or disclosure of the fair value of fixed assets (cost model) 4. Reconciliation of recorded gross amount and cumulative depreciation of fixed assets at beginning and at end of period by showing addition, reduction and reclassification	381-385
11.	Disclosure of operating segment-related matters	Issues that should be disclosed: 1. General information that comprises factors referred to for identifying the reported segments; 2. Information of profit and loss, assets and liability of reported segments; 3. Reconciliation of the total segment revenue, the reported segment profit and loss, segment assets, segment liabilities and material elements of other segments against the number of entities involved; and 4. Disclosure of entity level, comprising information on product and/or service, geographic area and main customers.	N/A

CRITERIA + DESCRIPTION			PAGE
12.	Disclosure of financial instruments	Issues that should be disclosed: 1. Accounting requirements, conditions and policies for each group of financial instruments 2. The fair value and the hierarchy of each class of financial Instruments 3. Risk management policy 4. Explanation of the risks associated with financial instruments: market risk, credit risk and liquidity risk 5. Risk analysis related to financial instruments quantitatively	404-406
13.	Publication of financial statement	Issues to be disclosed include: 1. Date of authorization for financial statement publication 2. Parties responsible for authorizing financial statement	347