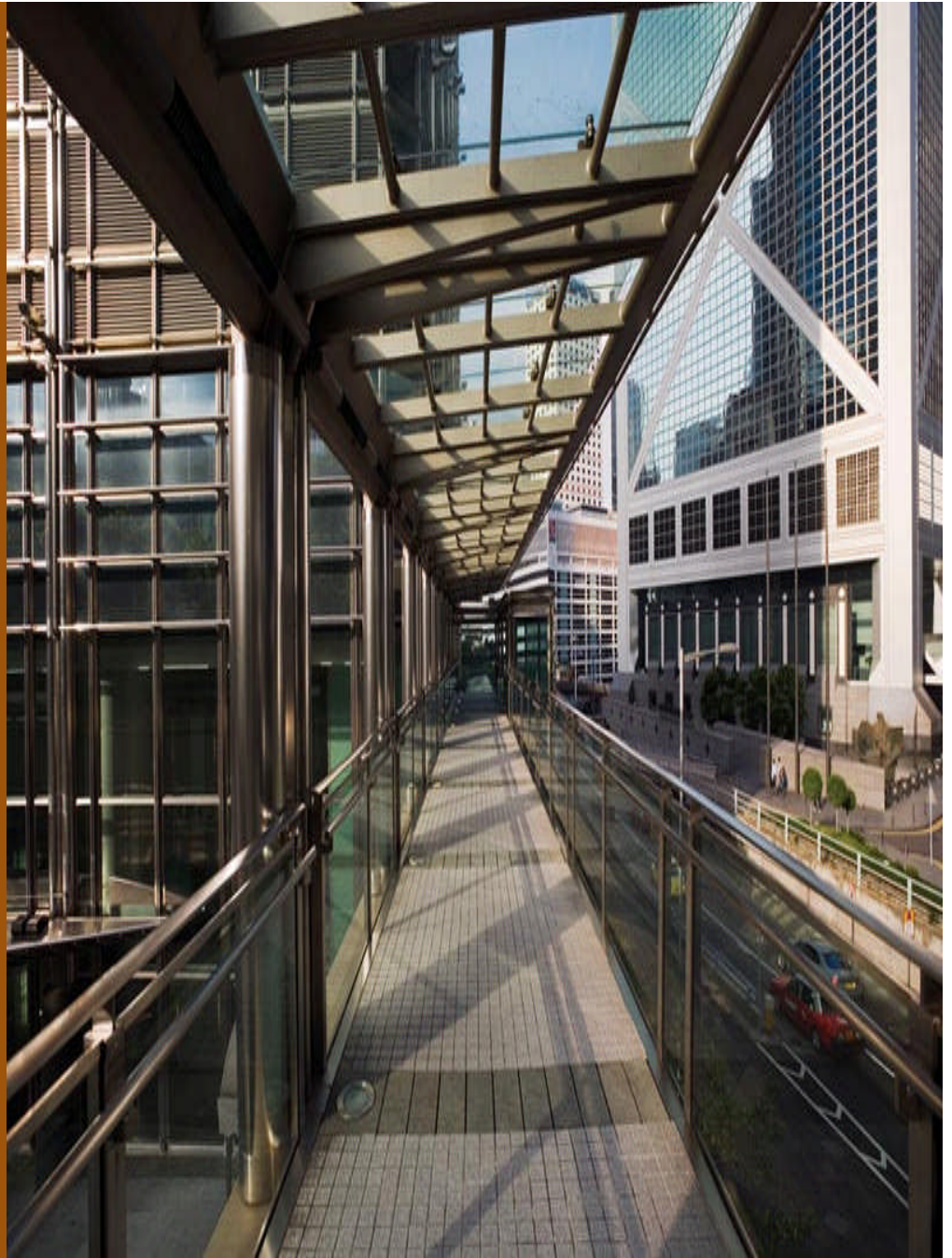


Jakarta Property Trends



TRENDS SUMMARY

- Office:** Gross rents continue to increase from 5% to 8% during the year. Base Rent increases are likely to continue for the next several years until substantial new supply, which is currently under development, is completed.
- Retail:** There is an increasing amount of new for-lease centre development underway, compared to the recent dominance of strata title kiosk development.
- Apartment:** The overall occupancy of for lease strata units still remains at relatively low levels compared to purpose built for-lease units.
- Hotel:** Hotel results continue to be mixed this year and remaining below 1997 pre-crisis levels. Performance will improve to the extent that business growth improves, as the Jakarta Hotel sector relies mainly on business travel.

overview economic



Inflation during 3Q06 was 1.16%, lower compared to 2.03% in the same quarter last year. 3Q06 monthly inflation was at 0.45%, 0.33% and 0.38% in July, August and September, respectively. As of September, Year on Year inflation was 14.55% in 2006 compared to 9.06% the previous year.

The quarterly average exchange rate was Rp9,121:US\$1.00; weakening from Rp9,107:US\$1.00 in 2Q06. The three month Bank Indonesia certificate (SBI) rate fell to 9.50% on 8 November 2006 from 11.36% on 9 August 2006 and 12.15% on 10 May 2006. The Jakarta Composite Index closed at 1,535 on 29 September 2006, compared to 1,310 on 30 June 2006 and 1,079 on 30 September 2005.

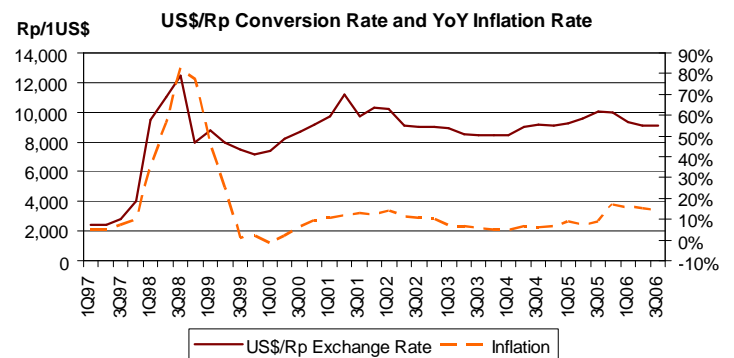
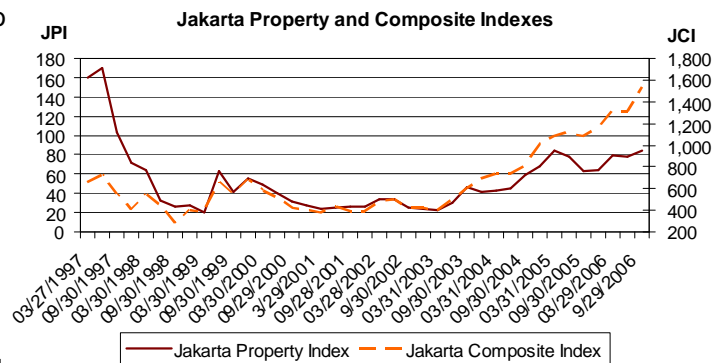
During the period of January – September 2006, Approved Domestic and Foreign Direct Investment was about Rp107.9 trillion and US\$10.5 billion, an increase of 182.1% and a decrease of 1.3% respectively from the same period last year.

During the same period, Realised Domestic and Foreign Direct Investment was about Rp12.4 trillion and US\$4.3 billion, an increase of 3.8% and a decrease of 43.8% respectively from the same period last year.

The value of exports and imports from January to September 2006 changed by 17.2% and 4.0% compared to the same period last year to US\$73.5 billion and US\$45.6 billion respectively.

GDP growth increased by 3.49% compared to the previous quarter and increased by 5.52% compared to the same quarter last year.

During this quarter, the Indonesia Business Index was 108.72 compared to 108.50 in the previous quarter and is expected to be 110.17 next quarter (Index 100 = no changes compared to the previous quarter).



office



Supply

There was approximately 72,500 square metres of new supply completed during 3Q06 from the operation of Wisma Bakrie 2, Menara Kuningan and Bank NISP Tower in the CBD. Office stock increased to approximately 4.4 million square metres.

Buildings currently under construction in the CBD include: Menara Karya, Plaza Sudirman I/II, Sentral Senayan II, Satrio Tower, Grand Indonesia, Pacific Place and The East.

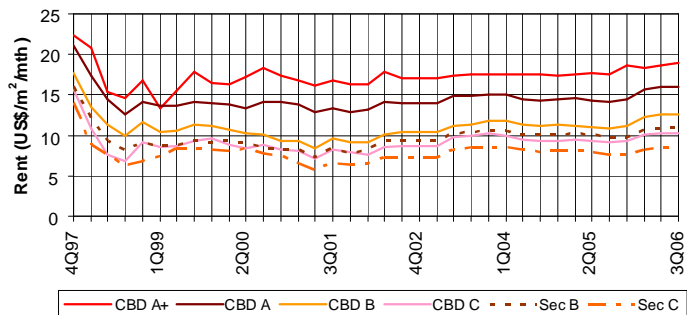
Demand / Occupancy

Overall, occupancy of office buildings in Jakarta increased during this quarter to 86.3%. Occupancy rates increased to 87.2% in the CBD and 84.1% in the secondary area. Total vacant space decreased to approximately 604,000 square metres.

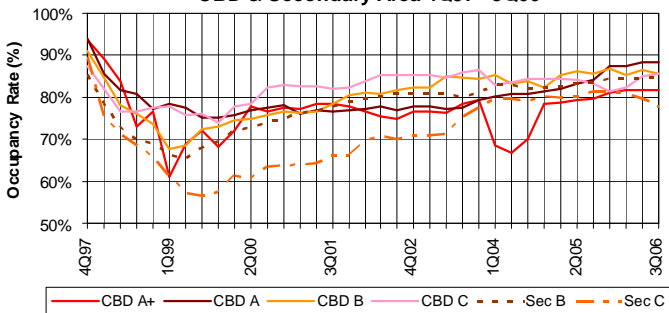
Rents

Most CBD Grade A+ transacted gross rents were generally in the range of US\$17.00 - US\$19.00/m²/mth, mostly in US\$ with floating exchange rates. For other grades, most transactions were still in rupiah: Grade A Rp130,000–Rp145,000/m²/mth; Grade B Rp100,000–Rp125,000; and Grade C Rp80,000–Rp95,000.

Leased Office Gross Offering Rents
CBD & Secondary Area 4Q97 - 3Q06



Leased Office Occupancy Rates
CBD & Secondary Area 4Q97 - 3Q06



Secondary area Grade B transacted gross rents ranged from Rp75,000–Rp85,000/m²/mth and Grade C from Rp65,000–Rp70,000.

Service charges (within gross rents) for the CBD ranged from Rp30,000–Rp70,000/m²/mth and, for secondary areas, Rp25,000–Rp60,000. The broad ranges are due, in part, to the inclusion/exclusion of tenant electricity charges.

Trends

Gross rents continue to increase from 5% to 8% during the year. Base Rent increases are likely to continue for the next several years until substantial new supply, which is currently under development, is completed. Service charges will also continue to increase as building owners attempt to protect their service charge margins while operating costs increase.

retail



Supply

There was new supply of about 100,000 m² from the operation of Tamini Square and BSD Junction (strata title kiosks), and about 75,000 m² from Senayan City Mall (lease) during 3Q06. In this quarter, total Jakarta lease and strata title stock increased to approximately 1.5 million m² and 1 million m², respectively. Debotabek lease stock remained at approximately 444,000 m² and strata title stock increased to 353,000 m².

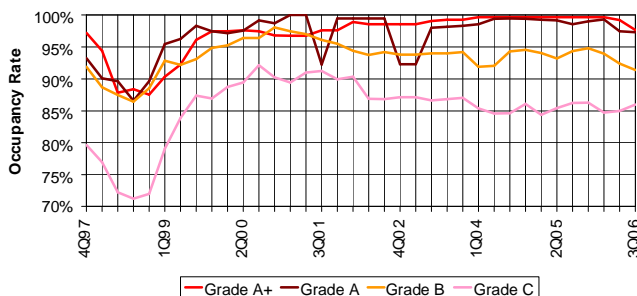
Subject to timely completion, new supply up to 2008 is estimated at about 1.3 million m². A partial list of future supply includes: Mall of Indonesia, Kota Casablanca, Grand Indonesia and Pacific Place.

Demand / Occupancy

Jadebotabek shopping centre occupancy rates decreased to 92.5% this quarter. Jakarta and Debotabek occupancies decreased to 92.5% and 92.4%, respectively.

Occupancies were 97.4%, 91.4%, 86.0% and 92.0% for Grades A+/A, B, C and D respectively in Jakarta.

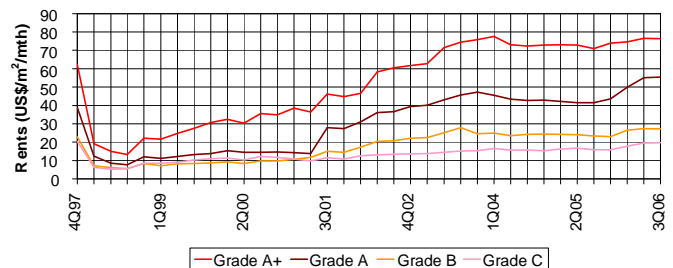
Shopping Centre Occupancy Rates
4Q97 - 3Q06



Rent

Overall, offering contract rents, fixed exchange rates and effective rents increased in Jakarta and remained the same in Debotabek compared to the previous quarter.

Shopping Centre US\$ Offering Effective 'Typical Floor' Rent
(excludes Ground Floor and Anchor Tenants)
4Q97 - 3Q06



Offering contract rents for typical floors increased to US\$50.00/m²/mth in Jakarta and US\$26.50/m²/mth in the Debotabek area. The 3Q06 fixed exchange rates generally ranged between Rp9,000 (Grade A+) and Rp5,000 (Grade C) across Jadebotabek. Offering contract service charges remained at the range of US\$7.00 to US\$14.50/m²/mth for Jadebotabek. Strata title kiosk units and long lease prices generally range from Rp30 million/m² to Rp250 million/m².

Trends

There is an increasing amount of new for lease centre development underway compared to the recent dominance of strata title kiosk development.

Rents will come under pressure as additional supply enters the market.

apartment



Supply

There was a new supply of approximately 195 service apartment units from the operation of Somerset Pakuwon Berlian Tower 2 in the secondary area; and 1,425 strata title units from the operation of The Peak Towers Regal, Regis & Renais, The Bellagio Mansion and Sudirman Park Tower A in the CBD, and Somerset Pakuwon Berlian Tower 1, Senayan Residence Tower 1 & 2 and Pondok Indah Square Tower A in the secondary area.

The total stock of apartments increased to about 13,250 units in the CBD and 33,700 units in the secondary area. Leased (non strata title) and serviced apartments account for about 5,570 units (48% CBD and 52% secondary) and strata title approximately 41,350 units (26% CBD and 74% secondary).

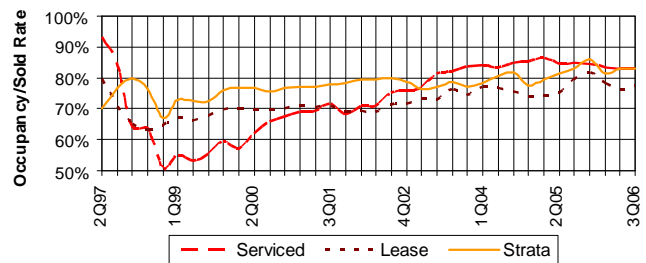
New supply up to 2009 is estimated at about 44,500 units. A partial list of future supply includes: Setiabudi Residences, Pearl Garden, Marriot Executive Apartments, Hollywood Residences, Oakwook Premier, The Peak Tower Beaufort, Four Seasons Towers 3 & 4, Sudirman Park Tower B and Senayan City.

Occupancy / Sold Rate

Overall occupancy of lease/serviced apartments of all grades increased in the CBD and decreased in secondary areas by 0.5% and 1.2%, respectively.

The average lease/serviced apartment occupancy was about 80.5% in the CBD and 72.7% in secondary areas. In the strata market, 83% of the CBD supply (current stock and projects under construction/launched) and 86% in secondary areas was stated by developers as sold. The occupancy rate of the current stock was 63% and 67%, respectively.

CBD Average Occupancy & Sold Rates
2Q97 to 3Q06

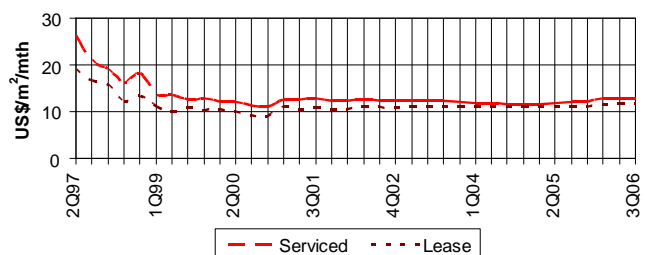


Rent / Prices

On average, rents for lease/serviced in the CBD and secondary areas remained the same compared to the previous quarter. Strata apartment offering prices increased in the CBD and in the secondary areas by 1% and 3%, respectively.

Average 3Q06 transaction base rents for CBD Upper and Middle Grade lease apartments were US\$14.50 and US\$8.10 respectively and for serviced apartments were US\$15.60 and US\$9.80 respectively. Average service charges were around US\$3.10 and US\$1.60 for lease apartments and US\$4.70 and US\$3.80 for service apartments. Average transaction prices for strata title apartments were US\$1,860/m² for Upper and effectively US\$915/m² for Middle Grade apartments.

CBD Average Base Rents
2Q97 to 3Q06



apartment



Trends

The incredible amount of new strata supply under development will test the depth of the investor and for lease market.

The overall occupancy of for-lease strata units still remains at relatively low levels compared to purpose built for-lease units.

hotel



Supply

There was no new supply during 3Q06. Jakarta hotel supply totals 22,297 rooms, consisting of 8,890 5-star, 8,152 4-star and 5,255 3-star rooms.

New hotels under development include: Ritz Carlton Pacific Place and Sofitel hotel in Senayan City.

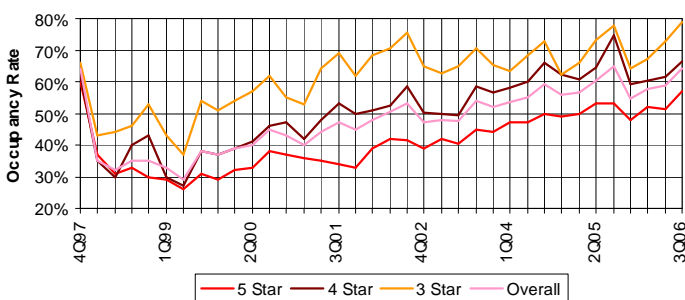
Debotabek hotel supply remains at approximately 1,030 rooms, consisting of 370 5-star, 490 4-star and 170 3-star rooms. Overall, Jadebotabek hotel supply was 23,327 rooms.

Demand / Occupancy

Overall, occupancy rose by 5.2% to 64.1% from the previous quarter. The changes were 5.7%, 4.5% and 6.1% for 5-star, 4-star and 3-star hotels. The occupancies were 57.1%, 66.1% and 78.9%, respectively.

Compared to the same quarter last year, the changes were 3.9%, -8.5% and 1.1% for 5-star, 4-star and 3-star hotels, respectively. Overall same quarter year on year occupancy decreased by 0.7%.

Jadebotabek Hotel Occupancy Rates
4Q97 to 3Q06

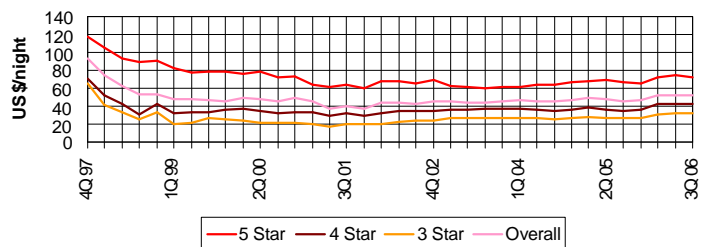


Room Rates

The overall rate decreased from the previous quarter by 0.5% to US\$52.20 per night. The changes were -2.1%, -1.3% and -0.7% for 5-star, 4-star and 3-star hotels. US\$ room rates were US\$72.60, US\$42.20 and US\$31.40 per night, respectively.

Compared to the same quarter last year, room rates changed by 9.5% for 5-star, 21.5% for 4-star and 20.4% for 3-star hotels. Overall, room rates increased by 14.4%.

Jadebotabek Hotel Average Room Rates
4Q97 to 3Q06



Revenue Per Available Room

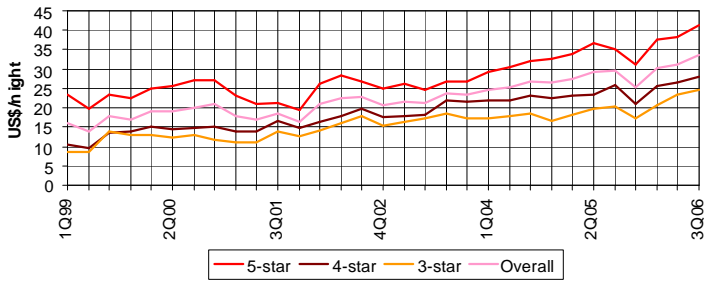
Overall RevPAR this quarter was US\$33.50 per night or about 8.2% higher than the previous quarter. Compared to the previous quarter, all-star hotel categories RevPAR increased. The changes were 8.8%, 6.5% and 6.2% for 5-star, 4-star and 3-star hotels. RevPAR was US\$41.40, US\$28.10 and US\$24.80 per night, respectively.

Compared to the same quarter last year, RevPAR changed by 17.5%, 8.3% and 22.1% for each star-category and 13.4% overall.

hotel



**Jadebotabek Hotel RevPAR
1Q99 to 3Q06**



Trends

Hotel results continue to be mixed this year and remaining below 1997 pre-crisis levels.

Performance will improve to the extent that business growth improves, as the Jakarta Hotel sector relies mainly on business travel.

ABBREVIATIONS

PwC	: PricewaterhouseCoopers
CBD	: Central Business District
Jadebotabek	: includes Jakarta, Depok, Bogor, Tangerang and Bekasi
Debotabek	: includes Depok, Bogor, Tangerang and Bekasi
GDP	: Gross Domestic Product
E	: estimated
m ²	: square metres
/m ² /mth	: per square metre per month
s-g area	: semi-gross area
pa	: per annum
3Q06	: 3 rd Quarter 2006 (each quarter abbreviated similarly)
s/c	: service charge
US\$: US dollar
Rp.	: Rupiah

DEFINITIONS

General

Central Business District	: bounded by Jl Sudirman, Jl Rasuna Said and Jl Gatot Subroto (the 'Golden Triangle' of Jakarta)
Secondary area et area	: area outside the CBD : space occupied solely by tenant (or available for the tenant's sole use)
Semi-gross area	: net area plus proportion of common space
Rents and service charge	: are stated per m ² according to the relevant basis of lease in each sector (such as on s-g area for offices, see below)

Sectors

Offices

Grade A+	: A high quality and well maintained office building located in CBD area, generally more than 20,000m ²
Grade A	: A standard quality office building, generally more than 20,000 m ²
Grade B	: A medium quality office building, generally 6,000 –20,000 m ²
Grade C	: A low quality office building, generally less than 6,000 m ² and usually more than 20 years old

Retail (Shopping centres)

Grade A+	: High specification with quality finishes, located in prime CBD area, generally more than 40,000 m ² . Mainly upper class retailers and international department stores
Grade A	: Modern specification with quality finishes located in CBD and secondary area, generally more than 40,000m ² . Mainly middle to upper class retailers and international department stores

Grade B	: Medium specification of generally more than 20,000 m ² . Mainly middle class local retailers and department stores
Grade C	: Basic to medium quality building generally less than 20,000m ²
Basis of lease	: Retail units are let on a net area basis

Hotels

Star Categorization: The 5, 4 and 3 categories used in our survey are in accordance with the Government licenses awarded to each individual hotel

Apartment

Upper Grade	: High specification building with larger units (3BR>150 m ²), and range of sport and leisure activities
Middle Grade	: Medium specification building with smaller units (3BR<150 m ²), and standard sports facilities
Basis of lease	: Apartments are let on a net area basis
Apartment size surveyed	: Average base rents and service charge are derived from rentals of 3 bedroom units
Sold Unit	: A unit is considered 'sold' after a deposit has been paid

Jakarta Property Trends

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