



Press Release – July 17, 2014

**Re: SCMA Obtains Favorable Court Awards in the SCMA and IDKM Tax Merger Dispute**

On January 15, 2014, PT Surya Citra Media Tbk (“**SCMA**” or “**Company**”) has announced that it has submitted a lawsuit against the Directorate General of Tax (“**DGT**”) to the Tax Court with regards to the DGT decision letter No. 2630/WPJ.07/2013 dated December 13, 2013, which rejected the use of tax neutral book value in the merger of SCMA and PT Indosiar Karya Media Tbk (“**IDKM**”) (the “**DGT Ruling**”).

During the court trial sessions that were held by the Tax Court and the Administrative Court of Jakarta, SCMA submitted all facts and evidence demonstrating strong legal grounds relating to SCMA’s application for implementing the tax neutral book value basis for the merger of SCMA and IDKM (“**Tax Neutrality Principle**”). SCMA was confident that had a strong legal position in filing the application for the Tax Neutrality Principle (“**Application**”), because it ensured compliance with the conditions in all relating to the relevant rulings, namely Peraturan Menteri Keuangan No. 43/PMK.03/2008, Peraturan Dirjen Pajak No. PER-28/PJ./2008 and Surat Edaran Dirjen Pajak No. SE-45/PJ./2008, and filed all necessary documents with the DGT within the required timetables.

After a thorough examination in the trial, the Panel of Judges of the Administrative Court in the Hearing Session on July 3, 2014 decided in favor of SCMA. Furthermore, the Panel of Judges of the Tax Court, in its Decision No. 54110/PPMXIV/9/2014, which was read in the Hearing Session on July 16, 2014, also decided in favor of SCMA, thereby annulling the DGT Ruling and ordering the DGT to issue its approval (“**Court Awards**”).

The Court Awards are the result of the Company’s various legal efforts since the issuance of the DGT Ruling on December 13, 2013, to obtain the approval of the DGT for the Application.

The merger of SCMA and IDKM has been effective as of May 1, 2013, in accordance with the effective letter from Otoritas Jasa Keuangan (“**OJK**”) dated April 2, 2013, and the approval from the Minister of Law and Human Rights dated April 19, 2013. With the issuance of the Court Awards, SCMA’s application for the implementation of the Tax Neutrality Principle is deemed to have been approved in accordance with the Tax Rules.

Should the DGT file an appeal or reconsideration request against the Court Awards, SCMA will take all necessary action, including appeal to the Supreme Court, if required, to have the said Court Awards affirmed by the relevant higher courts.