

Message from the Chairman



In the past year, in the midst of the extremely dynamic political and economic environment in Indonesia as well as in the world, The Habibie Center has succeeded in implementing fruitful programs and producing useful research and publications. The consolidation of various institutions under the Center was proven useful for the Center's 2005 activities and undoubtedly will provide a stronger foundation for future programs and activities.

The year 2005 started with a tragedy that devastated the whole nation and also awakened many people to take action to help the victims of the Tsunami in Aceh. Thus, this year The Habibie Center focused on helping the victims in Aceh through the "Help Indonesian Tsunami Victims" program, shortened HITV. With the support from the Indonesian, as well as the international, community, The Habibie Center was able to collect funds to help the Acehnese under the HITV program. In the year 2006, The Habibie Center will continue to give priority to the rehabilitation process in Aceh.

However, as our commitment for the process of democratization must be held, The Habibie Center also made sure that the routine programs that focused on issues of democracy and human rights continued. Issues ranging from politics, legal reform, media, justice and human rights to information technology and education became the focus of the numerous discussions, seminars and workshops held by the Center. These discussions were held not only within the national scope but also internationally with the cooperation of our international partners from Asia, Europe and all over the world.

In six years, The Habibie Center has succeeded in accomplishing a number of important activities and it will continue to conduct activities focused on efforts to uphold the values and principles of human rights, democracy and good governance in Indonesia. With the support of the public, the media, and through fruitful cooperation with organizations, both national and international, we hope to accomplish this and much more. Hopefully, by working together we can set up positive and productive programs that will be beneficial to the Indonesian people and to the nation as a whole.

Finally, I personally would like to express my gratitude to the various parties that have participated in The Habibie Center activities over the past year, and hope that with the support from various sectors we can improve our efforts in the future.

Jakarta, December 2005



Bacharuddin Jusuf Habibie

Foreword

Democratic Consolidation and Amendment of the Constitution



Indonesia shall begin to move from a transitional situation to the next phase of democratic process, which is a consolidation for democracy. Substances and institutions to build a democratic regime have been established, yet problems still arise since these institutions have very little sense of consolidation.

The amendments of Indonesian Constitution, the UUD 1945, in one way have created great progress in building democracy in Indonesia.

However, there are still poor and awkwardness in performances that need to be corrected. The newly established institutions have been tending to compete each other, rather than cooperating to make democratization work. For this reason, transition have been seen by a minority of people as a source of national deterioration and chaotic situation. There is also a small but vibrant force wanting to return the constitution to the original UUD 1945.

On the other hand, witnessing the development of democracy in Indonesia over the past two years, we realized that the main problem is that we must begin to consolidate all democratic powers that we have built. One way to accomplish that aim is through the fifth amendment of the UUD 1945. The four previous amendments have not yet come to create an efficient and integrated democratic system within our constitution; there are shortages and loopholes that need to be filled. Consolidating democracy requires an immaculate guidance. The Constitution as the highest law in a democratic country is the most suitable guidance to begin the process of national consolidation. Once the rules and mechanisms have been set, the consolidation process can begin.

For these reasons, a common goal and willpower to move towards democratic consolidation through the Fifth Amendment of the Constitution is a prerequisite. National consolidation for democracy is not only consolidating the powers in the state, but also consolidating different ideas and interests, for one goal that is to make democratization work.

The Habibie Center have carried out a variety of programs and activities over the past two years in the form of seminars, studies, publication and research as part of the efforts to participate in building national consolidation for democracy. This report of 2006 shows that variety of topics of The Habibie Center's activities is part of the aims of the Center to make democratization work towards a new Indonesia.

A handwritten signature in black ink, appearing to read 'Ahmad W. Pratiknya', written in a cursive style.

Ahmad W. Pratiknya
Executive Director



HELP INDONESIAN TSUNAMI VICTIMS (HUMANITY PROGRAM)



THE HABIBIE CENTER DEPLOYED A VOLUNTARY TEAM TO ACEH

JANUARY 5, 2005



At the end of 2004, an earthquake measuring 8.9 on the Richter scale, followed by a large Tsunami, struck the Aceh Province and Nias Island. Soon after the news of the disaster in Aceh and Nias spread, The Habibie Center established a post to help the victims. Together with Dompot Dhuafa Republika, The Habibie Center collected aid from the community in the Kemang vicinity and channeled the aid to the victims of the earthquake and tsunami.

The Habibie Center also deployed a team of

its staff as volunteers to Aceh along with the counterparts from South Korea. The THC team assisted the South Korean Medical Center which came to help the Acehnesse by providing medicines and other medical equipments. The Habibie Center was represented by Wahyutama (from Media Watch), Ghazali Moesa (from General Affairs Department), and Dodi Priambodo (from Program Directorate).

The program to help the tsunami victims became the Habibie Center's main priority in the year 2005. In order to collect funds from the national and international community for the reconstruction of Aceh, the Habibie Center created a program called "Help Indonesian Tsunami Victims", shortened HITV. Under HITV's umbrella, the Habibie Center has enabled to collected funds including from some institutes in Germany and Europe, Taiwanese Industrial Society, and from National entrepreneurs such as James Riady from Lippo Group Indonesia.

THE HABIBIE CENTER PAID A COURTESY VISIT TO PRESIDENT SUSILO BAMBANG YUDHOYONO

JANUARY 19, 2005

The Habibie Center's efforts to help the victims of the earthquake and tsunami received appreciation form the President of the Republic of Indonesia, Susilo Bambang Yudhoyono. The appreciation was conveyed by the President as Members of The Habibie Center (THC) paid a courtesy visit to Susilo Bambang Yudhoyono at the Presidential Office in Jakarta on 19th January 2005. The Habibie Center delegation was led by its Chairman, Muladi, and included Malik Fajar (Senior Fellow), Ilham Habibie (Board

Member), Ahmad Watik Pratiknya (Executive Director), Dewi Fortuna Anwar (Director for Program and Research), Fuadi Rasyid (Director for Administration), Umar Juoro (Senior Fellow), Hasballah M. Saad (Senior Fellow) and two staff members,- Hadi Kuntjara and Ghazali Moesa. During the meeting the President was accompanied by -State Secretary, Yusril Ihza Mahendra and the Cabinet Secretary, Sudi Silalahi.

Soon after this, B.J. Habibie, The Founder of

The Habibie Center, also met with the President at Merdeka Palace to discuss national issues including the issue of reconstructing Aceh. During the meeting, B.J. Habibie informed the President that The Habibie Center would help the government in collecting funds for the reconstruction of Aceh.

True to B.J. Habibie's statement, The Habibie Center started the development of care houses in Banda Aceh for children who fell victim to the tsunami in Aceh. The care houses were established under the HITV program with the support



from various national and international donors.

A DISCUSSION ON RECONSTRUCTING ACEH THROUGH THE ACEH AUTHORITY COUNCIL

FEBRUARY 2, 2005

In order to discuss the reconstruction of post-Tsunami Aceh, The Habibie Center conducted a discussion on: "Reconstructing Aceh through the Aceh Authority Council", on February 2, 2005. The main speakers for the discussion were Presidential spokes person, Andi Mallarangeng, Member of Indonesian Parliament from PAN, Ahmad Farhan Hamid, and The Habibie Center Senior Fellow, Indria Samego. Moderating the discussion was one of the THC's Research Fellows, Taftanzani.

Andi Mallarangeng said that many Acehnese felt that the Central Government took a slow pace in reconstructing Aceh. Therefore, an Authority Council in Aceh should be created in the case of emergency, until the local government of Aceh enabled to take over the situation which was devastated after the tsunami. The Council should be established for short term between two or three year. But the Council should be at the same level of a ministry, so



that it could mobilize any resources, coordinate any activities related to the Aceh reconstruction.

Responding to Mallarangeng's statement, Farhan Hamid, agreed to support the establishment of Authority Council in Aceh. Meanwhile, Indria warned that the established of the Council could be overlapped with state-owned institutions under some Departments, such as Department of Social Affairs, and Department of Transportation. Therefore, the government should take a careful consideration in establishing any institutions in Aceh in order to keep peace in the so-called Serambi Mecca.

A DISCUSSION ON THE EARTHQUAKE AND TSUNAMI IN ACEH: WHY DID IT HAPPEN? AND THE URGENCY FOR MITIGATION

FEBRUARY 16, 2005



On February 16, 2005, Another discussion on Earthquake and Tsunami in Aceh. The discussion with entitled “The Earthquake and Tsunami in Aceh: Why Did it Happen? And the Urgency for Mitigation” featured speakers: Prof. Dr. M.T. Zen (Professor of Geology of Bandung Institute of Technology), Dr. Eng. Teuku Abdullah Sanny (Chairman of the Aceh Disaster Recovery Board), with Dr. Ahmad Husein Lubis as Moderator. Before the discussion began, Zuhul Abdul Kadir, one of The Habibie Center’s Senior Fellows, gave the opening speech.

The focus of the discussion was on the importance of developing knowledge of database that relates to the occurrence of

tsunami disasters. The speakers in the discussion agreed that the 2004 Earthquake and Tsunami disaster in Aceh was a significant lesson to create awareness and education among the people in reducing loss of lives. Therefore, it was important to develop such a database that would enable to predict the potential level of devastation from an intrinsic tsunami pattern on a particular part of Indonesia.

The speakers also agreed that the reconstruction of Aceh should be based on disaster management in order to prevent any damaged if earthquake and tsunami hit the region in the future. In addition, the Indonesian Government should provide a better understanding of mitigating of natural disaster not only for Acehnese, but also for the whole society in Indonesia who live in potential devastation areas of vulnerable regions. With this understanding, urban designers, builders, and decision-makers would be better equipped to make hazard mitigation decisions.

INAUGURATION OF FIRST CARE HOUSE IN ACEH

APRIL 1, 2005

In coordinating with the Cut Mutia Foundation and the support of found from Taiwanese Community and Entrepreneur in Surabaya through Taipei Economic and Trade Office (TETO), as well as from LIPPO Group and Helen Keller Indonesia, The Habibie Center inaugurated its first Care House in Aceh, on April-1st, 2005.

The Chairman of The Habibie Center, Prof. Muladi, signed an MoU with the Cut Mutia Foundation, The Habibie Center’s local



partner in the HITV program. The signing was also witnessed by Dr. David Lin, Head of Representative of TETO. With the MoU, the Care House would officially become a shelter for 50 children from various refugee camps, including Sigli-Pidie, Krueng Aceh and other location.

A VISIT FROM TAIWANESE ENTREPRENEUR TEAM

APRIL 4, 2005



On April 4, 2005 The Habibie Center received a team of Taiwan Entrepreneurs led by Dr. David Lin, Head of Representative of TETO. They wanted to give assistance of US\$ 300.000 to the Acehnese people through the Help Indonesia Tsunami Victim Program (HITV). The team was greeted by B.J. Habibie.

B.J. HABIBIE INAUGURATES CARE HOUSE

NOVEMBER 26, 2005

Bacharuddin Jusuf Habibie and Dr. Hasri Ainun Habibie, THC's Board of Trustees, visited Aceh on November 26, 2005. During their visit, they inaugurated the operation of the Care House under the management of Tengku Neh-Habibie Center Foundation in Bueng Cala, Aceh Besar district. Prof. B.J Habibie and Dr. Hasri Ainun Habibie also inaugurated the construction of the Care House in Darussalam, in Aceh Besar district, which is under the Hasballah-Habibie Center Foundation. Afterwards, they observed The Habibie Center Care House in Cut Meutia and held a dialogue with the foster children. The Habibie Center currently operates 3 care houses in Aceh, and one care house is still under construction.



DEMOCRACY



DISCUSSION ON GLOBALISATION – A NEW CHALLENGE TO INTERNATIONAL THINK TANKS AND POLITICAL FOUNDATION

MARCH 9, 2005

The Habibie Center held a discussion on “Globalisation – A New Challenge to International Think Tanks and Political Foundation” in cooperation with The Hanns Seidel Foundation on March 9, 2005. The discussion presented Dr.h.c. C. Hans Zehetmair, Chairman of the Hanns Seidel Foundation – in Munich, Germany. B. J. Habibie gave his opening remarks preceding the discussion which was held in The Habibie Center building. Attending the discussion were members of the academic



communities, NGO, governmental institutions, members of the press as well as the general public.

THE LAUNCH OF VIDEO SERIES ON LESSON IN DEMOCRACY

APRIL 28, 2005

The Habibie Center in cooperation with the U.S Embassy organized a discussion on “Democratization in the U.S and Indonesia: Between Ideas and Reality”. Prior to the discussion, there was a launching of a nine part video series on: “Lessons in Democracy”, produced by Metro TV, IFES Indonesia, and PT Jaring Data Interaktif, with the support from the American Embassy’s Public Affairs Office in Jakarta.

On this occasion, the Chairman of the Board of Trustees, Ambassador J.E. Habibie gave a welcoming address, followed by remarks from the Ambassador of the United States of America, H.E Lynn Pascoe. After delivering his remarks, the Ambassador handed over the first VCD packet to The Habibie Center Founder, B.J. Habibie to officially launch the series.

The first VCD packet has been put in the Habibie Center Library as part of its

collection, while a thousand copies of the VCD series were distributed by the U. S. Embassy to schools, universities, and libraries throughout the country.



DISCUSSION ON “THE IMPORTANCE OF POLITICAL PARTY ROLES IN THE ELECTION AND DEMOCRACY CONSOLIDATION”

MAY 20, 2005

The Habibie Center on May 20, 2005 held a discussion on “The Importance of Political Party Role in the Election and Democracy Consolidation”. Speaking at the discussion were Sutrisno Bachir, Chairman of the National Mandate Party (PAN), Yudi Latif from the National Institute of Science (LIPI) and Indria Samego from The Habibie Center. Moderating the discussion was Taftanzani, Senior Fellow from The Habibie Center.

The discussion summarized that political parties play a very important role in regional elections as well as in democracy consolidation. A local figure cannot be nominated for a regional election if he or she was not a member of a political party. However,

this should not become a barrier for any good candidates that have been chosen by the people, although in the end it is the political party that should propose the ‘best candidate’ to be a member of the party.



TALK-SHOW: “CONSIDERING THE FORMAT OF THE GENERAL ELECTIONS COMMISSION (KPU) IN THE FUTURE: DOES KPU NEED REPOSITIONING?”

MAY 27, 2005



The Habibie Center organized a Talk Show, which brought up the theme “Considering the Format of the General Elections Commission (KPU) in the Future: Does KPU Need Repositioning?” The talk show featured political observer Djohermansyah Johan, CETRO activist Adhy Aman, and Research Manager of The Habibie Center, R. Siti Zuhro. The focus of the discussion was the bribery and corruption cases surrounding the staff and members of the KPU.

THC CELEBRATED INDONESIA INDEPENDENCE DAY

AUGUST 16, 2005

In commemorating the 60th Anniversary of the Independence Day of Indonesia on August 17, The Habibie Center organized a Night of Reflection on August 16, 2005. Starting out the evening with the first reflection was Member of the Board of Trustees, Malik Fajar,. The evening was also filled with a session of poetry reading and a musical presentation. Through this event, The Habibie Center called upon the community to reflect upon the true meaning of freedom.



SPECIAL PROGRAMS



A SERIES OF DISCUSSION FEATURING INDONESIAN HISTORICAL FIGURES

SEPTEMBER 13, 2005

For the first time since its establishment, The Habibie Center organized a discussion that featured history actors and figures on September 13, 2005. In this discussion, history actors (ret) Lieutenant Col. H.N. Ventje Sumual, Dr Saafroedin Bahar and Prof. Dr. Salim Said discussed about the problems of demands towards the special autonomy based on the PRRI/Permesta Case.



SPEECH CONTEST FOR JUNIOR HIGH SCHOOL STUDENTS

OCTOBER 17, 2005



In conjunction with its 6th Anniversary, The Habibie Center organized a Speech Contest for high school students in Jakarta

and the surrounding areas, in mid-October. At least 60 high school students participated in the event, which brought up the theme *"Nationalism, Democracy, and Human Rights"*. Siti Soraya Cassandra from Al Izhari Islamic High School won 1st prize (Rp 5 million), and Lab School student Muhammad Indarobbi was the runner-up winning 2nd prize (Rp 3.5 million). Bryan Gunawan from Sant Timur High School and Kenan Koetin from 3rd State High School were the second runners up at the contest (Rp 1.5 million).

THC'S SOCIAL ASSISTANCE

NOVEMBER 12, 2005

The Habibie Center provided aid to the victims of the fire in Pademangan, North Jakarta on November 12, 2005. The aid included 1 ton of rice and 100 boxes of instant noodles. The fire in Pademangan scorched over 300 houses and left 2,000 people homeless.



THC CELEBRATED ITS 6TH ANNIVERSARY

NOVEMBER 23-24, 2005

In commemorating its 6th Anniversary, On November 10, The Habibie Center organized a series of events, including a National Seminar, a Scientific Discussion, and the Presentation of The B.J. Habibie Award. The National Seminar, which brought up the theme *"Protection and Enforcement of Economic, Social and Cultural Human Rights in the Transition Era"* was held on November 23 at Sahid Jaya Hotel in Jakarta, and was opened by The Habibie Center's Board of Trustees Chairman, Bacharuddin Jusuf Habibie. Delivering the keynote speech at the seminar was Special UN Ambassador for Development Goals in Asia Pacific, Erna Witoelar. Other speakers in the seminar include Prof. Dr. Hasbullah Tabrani, MPH, H.S. Dillon, Ph.D, Ildal Kasim S.H., Dr. Adi Santika, Drs Bagong Suyanto, M.Si, and Adriana Killa, S.H.

On November 24, 2005, The Habibie Center

held a Scientific Discussion, which featured the two recipients of the B.J Habibie Award, Prof Dr. Djoko Tjahjono Iskandar and Prof. Sjamsul Arifin Achmad, as the main speakers. On that occasion, The Habibie Center's Board of Trustees Chairman, B.J. Habibie gave a welcoming speech, while Chairman of the House of Representative (DPR), Agung Laksono presented the Keynote Address. The B.J Habibie Award was presented later in the evening at The Habibie Center Sixth Anniversary Gala Dinner by The Habibie Center Board of Trustees Member, Dr.-Ing Ilham Akbar Habibie, The Habibie Center Board of Directors Chairman, Prof. Muladi, and Board of Directors Chairman of the Human Resources Development and Technology Foundation (Yayasan SDM-IPTEK). Vice President Jusuf Kalla was also present at the Gala Dinner.



HUMAN RIGHTS



DISCUSSION ABOUT MONEY POLITICS DURING THE REGIONAL ELECTION

APRIL 14, 2005

In order to analyze the political coalitions approaching the regional election in Indonesia, The Habibie Center organized a discussion on April 14, 2005 with the topic; "The Threat of Money Politics During the Regional Elections". Former Election Commission member, Didiek Supriyanto, and a Major Candidate for Depok Election from Welfare and Justice Party (PKS), Nurmahmudi Ismail, and a researcher from the Indonesian Science and Research Institute (LIPI), Syarif Hidayat formed the panel for the Discussion.

The discussion summarized that money politics had become a culture in Indonesia, especially during elections. However, Indonesian people nowadays have a great



understanding of politics, so that they could choose a good leader for their region. The Central Government, the Police, and the Election Commission should take stern actions or punishment towards candidates of regional election who practice money politics in order to woo their electorates. However, it has not been easy to find solid evidence of cases of money politics or bribery during the regional election.

WORKSHOP: ACCESS TO JUSTICE



JUNE 27-28, 2005

The Habibie Center in cooperation with the Hanns Seidel Foundation and the Asia Europe Foundation (ASEF) organized a two-day workshop held in Bogor on June 27 -28, 2005 featured the topic "*Comparing Access to Justice in Asian and European Transition Countries*", a topic which was seen as important in the participating

countries. The workshop was attended by representatives from Asian and European Countries including Cambodia, Czech Republic, Hungary, Poland, Republic of Korea, Latvia, Lithuania, Thailand, Portugal, Philippines, Slovakia, Slovenia, and Indonesia. Most of the participants were law enforcers or member of the parliament.

EXPERTISE DISCUSSION FORUM

OCTOBER, 2005

As part of the preparation for a National Symposium in Malang, The Habibie Center organized a series of Experts' Discussion Forum through the whole month of October. The forum was divided into 7 groups, in which each group discussed certain issues pertaining to the transition faced by the country. The seven forums were: (1). Internal Politics Affairs; (2). Economic Development; (3). Law Enforcement and Human Rights; (4). Human Resources and Science and Technology Development; (5). Religion and Cultural Development; (6). State Integrity and Security Issues; (7). Foreign Affairs Policy and Regional and Global Issues. The participants of the discussions include academician, politician, people from the media and observers of the issues discussed.



THC NATIONAL SYMPOSIUM IN MALANG

NOVEMBER, 30 - DECEMBER 1, 2005

The Habibie Center National Symposium held in Malang as a follow-up to the Expertise Discussion Forum in October, was held together with the Muhammadiyah Malang University (UMM). The two-day Symposium was held at the UMM Dome in Malang, East Java, on November 30 – December 1, 2005, which brought up the theme, “*Achieving the National Goals: Managing the Uncertain Transition*”. On this occasion, The Habibie

Center Board of Trustees Chairman, Bacharuddin Jusuf Habibie, presented a keynote speech, which urged the government to develop employment opportunity as well as small and middle-sized industries. Among the speakers present at the symposium were prominent figures such as Muladi, Jimly Asshidiqie, Syafri Sairin, Indria Sameogo, Rochmin Dahuri, Umar Juoro, Imam Suprayogo, Sularso, Sofian Effendi, Marwah Daud Ibrahim, Bambang Widjojanto and Abu Hartono.

VISITS

A VISIT FROM FORMER PRESIDENT OF THE PHILLIPINES

FEBRUARY 16, 2005

Former President of the Philippines, Fidel Ramos, who heads the Ramos Peace and Development Foundation in The Philippines, visited The Habibie Center on February 8, 2005. Ramos' visit to the Habibie Center is to exchange ideas on the development of democracy in each country. The Habibie Center team who met the former President included Junus Effendi Habibie, Ilham Akbar Habibie, Malik Fadjar, Ahmad Watik Pratiknya, Abu Hartono, Umar Juoro, Dewi Fortuna Anwar, and Indria Samego.



A VISIT FROM DONATORS

FEBRUARY 25, 2005

On February 25, The Habibie Center received a visit from potential donor from Germany. The resource of the fund was also contributed by Islamic Circle of North America (ICNA) to help the Acehnese by providing funds for the operation cost of The Habibie Care Houses in Aceh.

A VISIT FROM LIPPO GROUP

MARCH 2, 2005

The national entrepreneur from Lippo Group, James Riady, paid a visit to The Habibie Center to present a donation in the amount of US \$ 200.000 through the Help Indonesia Tsunami Victims (HITV) program organized by the Habibie Center. James Riady was greeted by the Founder of The Habibie Center, B.J. Habibie and The Habibie Center Board of Directors.



IMF VISITED THE HABIBIE CENTER

JUNE 2, 2005

The Habibie Center received the visit of a team from the International Monetary Fund (IMF) on June 2, 2005. The team consisted of IMF Legal Division, Cheong-Ann Png, and Chief of Monetary and Financial Systems Department, Chee Sung Lee, as well as Catherine M Shea, Program Director of the International Center for Non-Profit Law (ICNL). The visit of the IMF team to THC was to discuss the flow of funds in non-governmental organization such as The Habibie Center. The IMF team



was met by THC Administration Director, Fuadi Rasyid, THC Finance Director, Didit A Ratam, THC Senior Fellows, Umar Juoro and Andrinof Chaniago

MOU: TETO – DOMPET DHUAFA

AUGUST 23, 2005

In an effort to help the victims of the Tsunami in Aceh, The Habibie Center facilitated the signing of a Memorandum of Understanding (MoU) between *Taipei Economic and Trade Office* (TETO) and Republika's Dompot Dhuafa, on August 23, 2005. Based on the agreement, TETO will donate 11 containers of clothes for the victims of the tsunami through Dompot Dhuafa. The agreement was signed by David Lin from TETO and Rahmad Riyadi from Dompot Dhuafa, and witnessed by THC Executive Director, Ahmad Watik Pratiknya.



MARITIME



RESEARCH ON MARITIME ISSUES

APRIL 2005

During April 2005, the Maritime Affairs Division in The Habibie Center with the support of Indonesia Maritime Council formulated the Maritime Bill. This Maritime Bill consists of two parts. The first part contains a report on a variety of maritime issues, including the Indonesia Executive Economy Zone and the ecosystem and biodiversity resources in Indonesian Ocean. The second part of the bill is about the draft of the Maritime Bill itself.

In the year 2006, the Maritime Affairs Division with the Indonesian Maritime Council will present their findings to the House of Representative of Indonesia in a hearing to discuss the Maritime Bill.

MEDIA



DISCUSSION: “MEDIA WORKERS: WHO PROTECTS THEIR MENTAL WELFARE?”

JUNE 30, 2005

The Habibie Center organized a discussion, which brought up the topic “Media Workers: Who Protects their Mental Welfare?” on June 30, 2005. The discussion was moderated by Public Relations Manager of The Habibie Center, Fetty Fajriati. Among the speakers in the discussion were Metro TV reporter Meutia Hafid who was held hostage in Iraq, RCTI cameraman Ferry Santoro who was kidnapped by the Free Aceh Movement (GAM) for 200 days, and Head of Human Resources from Tempo, Rustam F. Mandayun. The discussion emphasized on



the trauma experienced by reporters and journalists after covering special reports such as wars, natural disasters, and other reports that could trigger trauma.

DISCUSSION ON MEDIA WATCH

JULY 14, 2005

On July 14, 2005, The Habibie Center held a discussion on “Media Watch and its Relevance in Improving the Freedom of the Press”. Among the speakers present at the discussion were Chief Editor of *Tempo* Magazine, Bambang Harimurti, Executive Deputy Director of the Science, Ethics and Technology Foundation, Agus Sudibyo, member of the Press Board, Leo Batubara, and THC Board of Directors Chairman, Prof. Muladi. All the speakers agreed that the presence of Media Watch is essential for democratization in Indonesia.



DISCUSSION: BILL ON FREE ACCESS TO INFORMATION AND ACHIEVING GOOD AND CLEAN GOVERNANCE

AUGUST 11, 2005

The Habibie Center organized a discussion on *"Bill on Free Access to Information and Achieving Good and Clean Governance"* on August 11, 2005. Coordinator of the Free Access to Information lobbying team, Agus Sudibyo, and member of Commission I at the House of Representative (DPR), Ali Muchtar Ngabalin were among the speakers in the discussion. The speakers agreed that the move to achieve good and clean government would not be productive if the government does not deal with the drafting of the Free Access to Information Bill seriously.



INTERNATIONAL COLLABORATION AND PARTNERSHIP



INTERNATIONAL EXECUTIVE FORUM: INDONESIA AND ITS INTERNATIONAL POLITICAL SECURITY COOPERATION ON HUMAN RIGHTS”

FEBRUARY 8, 2005

The Habibie Center held an International Executive Forum entitled of “Indonesia and its International Political and Security Cooperation on Human Rights” on February 8, 2005. Dr. Makarim Wibisono, a former Ambassador of Geneva and Chairman of Human Rights Commission of The United Nation and Prof. Muladi, Chairman of The Habibie Center Foundation attended as Speakers.

The speakers focused on the achievement in the field of human rights, and the development of democracy and the rule of law in Indonesia. The speakers agreed that the mechanism of monitoring the human rights practices in Indonesia had showed a significant progress. However, The Indonesian Human Rights Commission should improve its effort in socializing the



practice of human rights in Indonesia cooperated with with NGO's, society, media institutions as well as member of Parliaments. There should a political pressure for government to ratify the human rights convention toward civil rights and the people rights on economy and social fields.

AUSTRALIA-INDONESIA YOUNG LEADERS' DIALOGUE

JULY 16-19, 2005

Following the success of the first meeting in Indonesia in 2002 and in Australia in 2003, The Habibie Center and the Asia Pacific School of Economics & Government (APSEG) at the Australian National University (ANU) held the 3rd Australia-Indonesia Young Leaders' Dialogue in Malya Hotel, Bandung, on July 16-19, 2005. The Australia-Indonesia Young Leaders' Dialogue is an initiative of the Australia-Indonesia Institute, funded by the Australian Department of Foreign Affairs and Trade. The 3rd AIYLD brought up the theme of “Indonesia-Australia Relations Post Tsunami”. Emerging young leaders

from various fields from both Indonesia and Australia took part in the two-day dialogue. The participants were engaged in an open and candid exchange of ideas through a series of structured discussion sessions.



INTERNATIONAL EXECUTIVE FORUM: PROBLEM AND PROSPECT FOR SECURITY IN THE ASIA PACIFIC REGION

OCTOBER 13, 2005

The Habibie Center organized an International Executive Forum which brought up the theme of *"Problems and Prospects for Security in the Asia Pacific Region"*, on October 13, 2005. New Zealand Ambassador to Indonesia, Christopher John Elder, and Director General of ASEAN Cooperation and Spokesperson at the Foreign Affairs Ministry, Marty Natalegawa – now Indonesian Ambassador to Great Britain. The Habibie Center's Director of Program and Research, Dewi Fortuna Anwar, moderated the discussion. One of the main focus of the discussion was the development of bilateral relations



between Japan and China, which could affect the security and stability of the Asia Pacific region.

INDONESIA – CANADA BILATERAL SYMPOSIUM



DECEMBER 8, 2005

The Habibie Center in cooperation with The Centre for Southeast Asian Research, University of British Columbia, and supported by the Indonesian Foreign Affairs Ministry, Canadian Foreign Affairs

Ministry, and the Canadian Embassy in Jakarta organized *"The 2nd Indonesia-Canada Bilateral Symposium: Cooperation in a Time of Change"*. The symposium was held at the Indonesian Foreign Affairs Ministry Office in Jakarta on December 8, 2005. Among the participants present at the symposium were academicians, government officials,

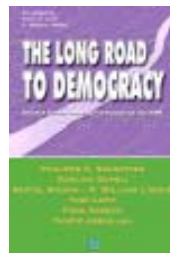
representatives of non-government organizations, and people from the media from both countries. The discussions at the symposium focused on the problems faced by Indonesia and Canada as well as changes in the global community.



PUBLICATIONS AND VISITING FELLOWS

THE JOURNAL OF DEMOCRACY AND HUMAN RIGHTS

The Jurnal of Democracy and Human Rights compiles the analyses and ideas of experts in the field of democracy and human rights. The Indonesia version of these journals is published twice yearly, while the English version is published once a year. The English version of this journal is a compilation of selected articles published in Bahasa Indonesia version.



POSTSCRIPT: MONTHLY POLITICAL AND ECONOMIC ANALYSIS

Postscript is published monthly by The Habibie Center. It aims at providing contemporary issues facing Indonesia and the world. The articles in Postscript reflect the views of The Habibie Center, with the exception of articles written based on interviews and excerpts from presentations made in seminars, conferences, talks held by The Habibie Center.



JOURNAL OF MEDIA WATCH

Media and Development Center has regularly published The Journal of Media Watch. The main theme of the Media Watch is observing the media so that conduct of the media can be in line with democracy values.

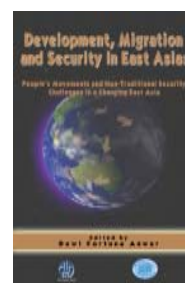


CANADA-INDONESIA SYMPOSIUM – THE NEW SHAPE OF GOVERNMENT IN INDONESIA AND IMPLICATIONS FOR BILATERAL RELATIONS

This book, as a result of the symposium, is an exploration of how far the implication of the change of government in Indonesia post 2004 presidential direct election on the bilateral relation between Indonesia and Canada. This book covers areas of Indonesian political, economic, legal and social life as well as priorities of Canadian aid to Indonesia.



DEVELOPMENT, MIGRATION AND SECURITY IN EAST ASIA



Edited by Dewi Fortuna Anwar, this book is a study which puts a great concern on a new trend in security area in that “non traditional security” – which comes from both inside and outside of a country or countries

including the international migration—is now becoming more and more striking besides the still undergoing “traditional” security challenges which comes mainly from outside. This project intends to study the non- traditional security challenges relating to political, economic, social and cultural transformation in East Asia.

FELLOWS & INTERNSHIP IN THE HABIBIE CENTER IN 2005



Chen Xu Hui, Center of Southeast Asia Studies, Xiamen University, China

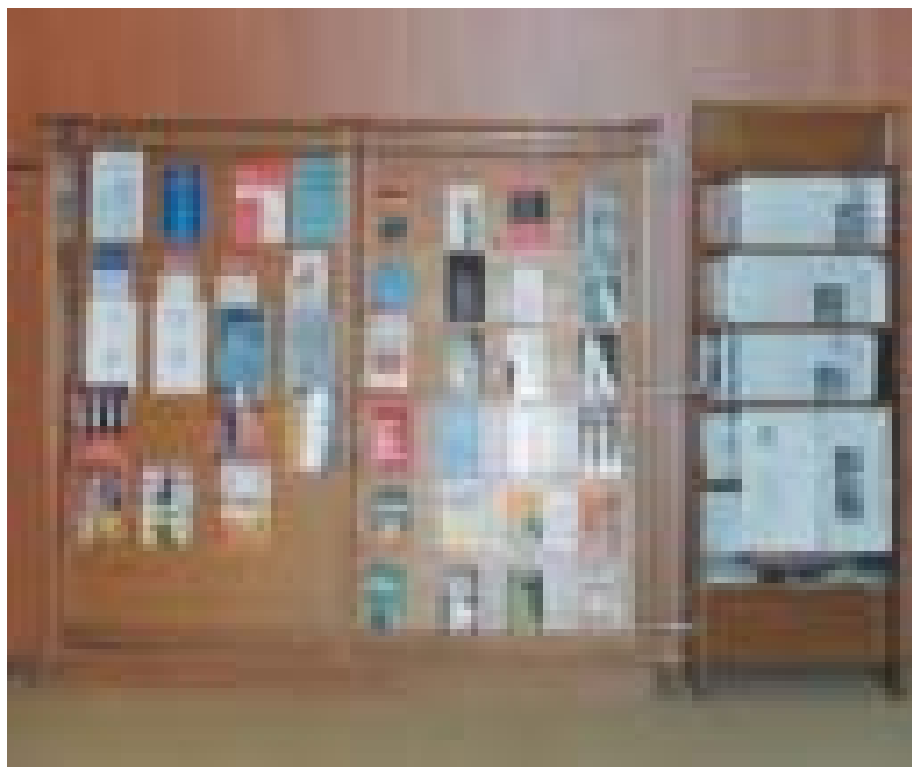


Daniel Schmidt, University of Applied Sciences Konstanz, Germany



Michelle Kooy, Department of Geography, University of British Columbia, Canada

Facilities





Library

AS A CENTER for studies and information THC is equipped with a library using a “closed system”. The library provides a wide selection of books, periodicals, and papers on issues relating to Democracy and Human Rights, as well as materials on technology, media development, maritime and human resource development, available for public use. Other facilities are free internet access and two meeting rooms available for discussions. The library also provides educational programs, for external and internal use, using electronic and digital devices. ■



Museum and Meetings room

WITHIN the library is a miniature museum portraying the monumental career development of B.J. Habibie. Serving as an example for the public in the form of awards, souvenir and pictures contributed by the Chairman. The exhibit describes his life journey beginning from childhood until the period when he served as Minister, Vice President and President. ■

Website

THE HABIBIE CENTER website was designed as a window into The Habibie Center for the outside world. Realizing the importance and significance of the world wide web, The Habibie Center has put great emphasis on the website as its main contact with the public.

This website contains information on the activities and profile of The Habibie Center. It serves as a medium of communication and information forum for staffs and members of the public who are interested in The Habibie Center. ■



FINANCIAL REPORT

This basic Financial Report consists of the following :

1. Statement of Financial Position as of December 31, 2005, 2004 and 2003
2. Statement of Activities for the year ended December 31, 2005, 2004 and 2003
3. Statement of Cash Flow for the year ended December 31, 2005, 2004 and 2003

This Financial Report has been arranged according to the Financial Accounting Standards established by the Indonesian Institute of Accountants

Dr. Ir. Didit Hidayat Agripinanto Ratam
Director for Finance and Funding

THE HABIBIE CENTER
Consolidated Statement of Financial Position
For The Year Ended December 31, 2005, 2004 and 2003

(In Rupiah)

Description	2005	2004	2003
Assets			
Current Assets			
Cash and Cash Equivalent	4,154,571,397	492,156,134	544,897,246
Account Receivable	239,942,829	224,307,880	247,177,780
Advance payment	1,466,638,885	473,870,818	256,883,576
Total Current Assets	5,861,153,111	1,190,334,832	1,048,958,602
Investments	38,389,206,000	36,948,714,000	31,805,830,000
Fixed Assets			
Cost of Acquisition	12,393,471,489	11,997,557,787	11,476,238,994
Accumulated Depreciation	3,380,826,765	3,796,603,659	2,745,715,680
Book Value	9,012,644,724	8,200,954,128	8,730,523,314
Other Assets	2,743,106,910	2,808,106,910	2,873,106,910
Construction in Progress	1,431,020,020	-	-
Total Assets	57,437,130,765	49,148,109,870	44,458,418,826
Liabilities and Net Assets			
Lialibilities			
Account Payables	38,325,569	38,542,469	44,753,269
Total Lialibilities	38,325,569	38,542,469	44,753,269
Nets Assets			
Free Commitments	11,484,397,633	5,646,082,789	7,209,837,990
Permanent Commitments	45,914,407,563	43,463,484,612	37,203,827,567
Total Net Assets	57,398,805,196	49,109,567,401	44,413,665,557
Total Lialibilities and Nets Assets	57,437,130,765	49,148,109,870	44,458,418,826

THE HABIBIE CENTER
CONSOLIDATED FIXED ASSETS

The total book value of Fixed Assets as of December 31, 2005

Rp. 9,012,644,724 consists of:

a. Cost of acquisition	Rp.	12,393,471,489
b. Accumulated depreciation	Rp.	3,380,826,765 -
Book value	Rp.	9,012,644,724

Breakdown in details are as follows:

FIXED ASSETS	(In Rupiah)
As of December 31,	2005
Cost of Acquisition	
Land	3,165,400,000
Building	5,591,262,461
Vehicles	
Nissan Infiniti	346,000,000
Toyota Kijang	143,470,000
KIA Carnival	255,000,000
Mitsubishi Galant	294,000,000
Camry	361,750,000
Altis	271,750,000
Vios	152,850,000
Vios	152,850,000
Vios	152,850,000
Kijang Inova	157,500,000
Motorcycle	12,150,000
Office Equipment	1,021,973,500
Library	314,665,528
Total	12,393,471,489
Accumulated of Depreciation	
Building	1,437,962,443
Vehicles	
Nissan Infiniti	346,000,000
Toyota Kijang	143,470,000
KIA Carnival	255,000,000
Mitsubishi Galant	294,000,000
Camry	42,204,167
Altis	31,704,167
Vios	17,832,500
Vios	17,832,500
Vios	17,832,500
Kijang Inova	7,875,000
Motorcycle	2,025,000
Office Equipment	684,206,574
Library	82,881,914
Total	3,380,826,765
Book Value	9,012,644,724

THE HABIBIE CENTER
Consolidated Statement Of Activities
For The Year Ended December 31, 2005, 2004 and 2003

(In Rupiah)

Description	2005			2004			2003		
	Free	Permanent	Total	Free	Permanent	Total	Free	Permanent	Total
	Commitment	Commitment		Commitment	Commitment		Commitment	Commitment	
Revenues									
Donations	10,076,978,648	-	10,076,978,648	2,650,505,000	3,173,000,000	5,823,505,000	3,468,784,773	-	3,468,784,773
Interest on Deposits	34,772,148	669,491,776	704,263,924	1,277,904	285,246,784	286,524,688	-	739,246,126	739,246,126
Other Incomes	559,347,017	-	559,347,017	25,953,421	400,000	26,353,421	62,320,030	-	62,320,030
Transfer of Program Execution									
Total Revenue	10,671,097,813	669,491,776	11,340,589,589	2,677,736,325	3,458,646,784	6,136,383,109	3,531,104,803	739,246,126	4,270,350,929
Expenses and Losses									
Scholarship & Habibie Award Program Expenses	1,068,226,775	-	1,068,226,775	979,689,392	-	979,689,392	1,047,522,157	-	1,047,522,157
Exchange Rate Loss (Gains)	-	(1,846,431,175)	(1,846,431,175)	-	(2,866,010,261)	(2,866,010,261)	-	1,674,113,001	1,674,113,001
Management, General and other Program Expenses	3,764,556,194	65,000,000	3,829,556,194	3,261,802,134	65,000,000	3,326,802,134	4,282,252,584	65,000,000	4,347,252,584
Total Expenses and Losses	4,832,782,969	(1,781,431,175)	3,051,351,794	4,241,491,526	(2,801,010,261)	1,440,481,265	5,329,774,741	1,739,113,001	7,068,887,742
Changing in Net Assets	5,838,314,844	2,450,922,951	8,289,237,795	(1,563,755,201)	6,259,657,045	4,695,901,844	(1,798,669,938)	(999,866,875)	(2,798,536,813)
Beginning Balance of Net Assets	5,646,082,789	43,463,484,612	49,109,567,401	7,209,837,990	37,203,827,567	44,413,665,557	9,008,507,928	38,203,694,442	47,212,202,370
Ending Balance of Net Assets	11,484,397,633	45,914,407,563	57,398,805,196	5,646,082,789	43,463,484,612	49,109,567,401	7,209,837,990	37,203,827,567	44,413,665,557

THE HABIBIE CENTER
Consolidated Cash Flow Statement
For The Year Ended December 31, 2005, 2004 and 2003

(In Rupiah)

Description	2005	2004	2003
Cash Flow From Operating Activities			
Receipt from Donation	10,076,978,648	5,823,505,000	3,468,784,773
Interest in Deposit	34,772,148	1,277,904	-
Other Incomes	559,347,017	26,353,421	(392,611,632)
Scholarship & Habibie Award Program Expenses	(1,068,226,775)	(979,689,392)	(1,047,522,157)
(Increase) / Decrease in Accounts Receivable	(15,634,949)	22,869,900	(37,313,300)
Increase / (Decrease) in Accounts Payable	(216,900)	(6,210,800)	22,450,100
(Increase) / Decrease Advance Payments	(992,768,067)	(216,987,242)	404,871,406
Management, General Expenses and Other Program Expenses	(4,245,333,088)	(2,275,914,155)	(3,209,339,765)
Net Cash Flow From Receipt from/(Used for)	4,348,918,034	2,395,204,636	(790,680,575)
Operating Activities			
Cash Flow from Investing Activities			
Deposit Placement	(1,440,492,000)	(1,969,884,000)	2,677,020,000
Fixed Asset Purchase	(395,913,702)	(521,318,793)	(906,597,104)
Other Asset Placement	65,000,000	65,000,000	65,000,000
Investment	-	(3,173,000,000)	-
Construction in Progress	(1,431,020,020)	-	-
Net Cash Flow From Receipt from (Used for)	(3,202,425,722)	(5,599,202,793)	1,835,422,896
Investing Activities			
Cash Flow from Financing Activities			
Interest on Deposit	669,491,776	285,246,784	739,246,126
Exchange Rate (Losses)/Gains	1,846,431,175	2,866,010,261	(1,674,113,001)
Net Cash Flow From Receipt from/(Used for)	2,515,922,951	3,151,257,045	(934,866,875)
Financing Activities			
Increase/(Decrease) In Cash & Cash Equivalents	3,662,415,263	(52,741,112)	109,875,446
Beginning Balance of Cash & Cash Equivalents	492,156,134	544,897,246	435,021,800
Ending Balance of Cash & Cash Equivalents	4,154,571,397	492,156,134	544,897,246

No. : 017/AUD/SH/III/07

**Dewan Penyanggutan dan Pengurus Harian
YAYASAN THE HABIBIE CENTER
The Board Of Trustees and Board of Executive
YAYASAN THE HABIBIE CENTER**

Kantor Akuntan Publik

Drs. Santoso Harsokusumo, Irwan & Rekan

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Laporan Auditor Independen

Kami telah mengaudit laporan posisi keuangan konsolidasian Yayasan The Habibie Center dan anak perusahaannya tanggal 31 Desember 2005 dan 2004, dan laporan aktivitas dan perubahan aktiva bersih konsolidasian dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut. Laporan keuangan tersebut merupakan tanggung jawab manajemen perusahaan. Tanggung jawab kami terletak pada pernyataan pendapat atas laporan keuangan berdasarkan audit kami. Kami tidak mengaudit laporan keuangan PT. Mulya Asri Mediatama, anak perusahaan yang sahamnya dimiliki oleh Yayasan The Habibie Center, yang laporan keuangannya menyajikan total aktiva masing-masing sebesar 2% dari total aktiva konsolidasi pada tanggal 31 Desember 2005 dan 2004. Laporan keuangan tersebut diaudit oleh auditor lain dengan pendapat wajar tanpa pengecualian, yang laporannya telah diserahkan kepada kami, dan pendapat kami, sepanjang berkaitan dengan jumlah-jumlah untuk PT. Mulya Asri Mediatama, didasarkan semata-mata atas laporan auditor independen lain tersebut.

Kami melaksanakan audit berdasarkan auditing yang berlaku umum di Indonesia. Standar tersebut mengharuskan kami merencanakan dan melaksanakan audit agar kami memperoleh keyakinan memadai bahwa laporan keuangan bebas dari salah saji material. Suatu audit meliputi pemeriksaan, atas dasar pengujian, bukti-bukti yang mendukung jumlah-jumlah dan pengungkapan dalam laporan keuangan. Audit juga meliputi penilaian atas prinsip akuntansi yang digunakan dan estimasi signifikan yang dibuat oleh manajemen, serta penilaian terhadap penyajian laporan keuangan secara keseluruhan. Kami yakin bahwa audit kami memberikan dasar memadai untuk menyatakan pendapat.

Independent Auditor's Report

We have audited the accompanying consolidated statements of financial position of Yayasan The Habibie Center (the "Foundation") and subsidiary as of December 31, 2005 and 2004 and the related consolidated statement of activities and net assets and statements of consolidated cash flows for the year then ended. These financial statements are the responsibility of Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of PT Mulya Asri Mediatama whose owned by Yayasan The Habibie Center and its financial statements reflected total assets 2 % of consolidated total assets of December 31, 2005 and 2004. Subsidiary's financial statements were audited by other independent auditor expressed an unqualified opinion that had submitted to us. In our opinion, all items related to PT. Mulya Asri Mediatama, are based on other independent auditor's report.

We conducted our audits in accordance with generally accepted auditing standards established by the Indonesia Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis of our opinion.



Menurut pendapat kami, laporan keuangan konsolidasi yang kami sebut diatas menyajikan secara wajar, dalam semua hal yang material, posisi keuangan Yayasan The Habibie Center tanggal 31 Desember 2005 dan 2004 hasil aktivitas dan, perubahan aktiva bersih serta arus kas konsolidasi untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan prinsip akuntansi yang berlaku umum di Indonesia.

Audit kami laksanakan dengan tujuan untuk menyatakan pendapat atas laporan keuangan pokok secara keseluruhan. Laporan keuangan induk perusahaan disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian laporan keuangan pokok yang diharuskan menurut prinsip akuntansi yang berlaku umum di Indonesia. Laporan keuangan induk perusahaan tersebut telah menjadi obyek prosedur audit yang kami tetapkan dalam audit atas laporan keuangan pokok, dan menurut pendapat kami, disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan pokok secara keseluruhan.

In our opinion, the consolidated and unconsolidated financial statements referred to above present fairly, in all material respects, the financial position of the The Habibie Center Foundation as of December 31, 2005 and 2004 respectively, the statement of activity and net assets and consolidated cash flows for the years then ended, in conformity with accounting principles generally accepted in Indonesia.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken a whole. The consolidating information is presented for purpose of additional analysis of the consolidated financial statements rather than to present the financial position, statements of activities and fund balances and cash flows of the individual companies. The consolidated information has been subjected to the procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as whole.

Kantor Akuntan Publik
Drs. Santoso Harsokusumo, Irwan
Rekan
Izin Usaha KAP
No.KEP.422/KM.6/2004

Jakarta, Indonesia
14 Maret 2007

Drs. Santoso Harsokusumo
Izin Akuntan Publik No.98.1.0039
Public Accountant License
No.98.1.0039

Kantor Akuntan Publik
Drs. Santoso Harsokusumo, Irwan &
Rekan
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Jakarta, Indonesia
Maret 14, 2007

PERHATIAN UNTUK PEMBACA:

Laporan keuangan yang terdapat dalam laporan ini tidak dimaksudkan untuk menunjukkan posisi keuangan, hasil operasi, perubahan dalam ekuitas, dan arus kas yang sesuai dengan prinsip akuntansi dan praktek praktek yang berlaku umum di suatu negara dan wilayah hukum selain Indonesia. Standar dan prosedur yang digunakan dalam audit suatu laporan keuangan dapat berbeda dengan yang berlaku umum di negara dan wilayah hukum selain Indonesia. Untuk itu laporan keuangan dan laporan auditor selanjutnya tidak untuk digunakan oleh pihak pihak yang tidak memahami prinsip akuntansi dan standar auditing, dan aplikasinya di Indonesia.

NOTICE TO READERS

The accompanying financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards procedures and practices utilized to audit such financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly the accompanying financial statements and the auditor's report thereon are not intended for used by those who are not informed about Indonesia accounting principles and auditing standards, and their application in practices.

THE HABIBIE CENTER
Statement Of Financial Position
For The Year Ended December 31, 2005, 2004 and 2003

(In Rupiah)

Description	2005	2004	2003
Assets			
Current Assets			
Cash & Cash Equivalent	4,134,687,105	357,725,302	451,175,451
Account Receivable	238,442,829	222,807,880	245,677,780
Advance Payment	1,466,638,885	455,170,818	256,883,576
Total Current Assets	5,839,768,819	1,035,704,000	953,736,807
Investment	3,173,000,000	3,173,000,000	-
Fixed Assets			
Cost Of Acquisition	12,266,928,539	11,874,464,837	11,359,416,044
Accumulated Depreciation	3,281,475,553	3,705,149,090	2,670,133,487
Book Value	8,985,452,986	8,169,315,747	8,689,282,557
Other Assets	2,743,106,910	2,808,106,910	2,873,106,910
Construction in Progress	1,431,020,020	-	-
Total Assets	22,172,348,735	15,186,126,657	12,516,126,274
Liabilities & Net Assets			
Liabilities			
Account Payables	38,325,569	38,542,469	44,753,269
Total Liabilities	38,325,569	38,542,469	44,753,269
Net Assets			
Free Commitments	16,217,916,260	9,166,477,282	9,598,266,099
Permanent Commitments	5,916,106,906	5,981,106,906	2,873,106,906
Total Net Assets	22,134,023,166	15,147,584,188	12,471,373,005
Total Liabilities & Net Assets	22,172,348,735	15,186,126,657	12,516,126,274

THE HABIBIE CENTER
Statement Of Activities
For The Year Ended December 31, 2005, 2004 and 2003

(In Rupiah)

Description	2005			2004			2003		
	Free	Permanent	Total	Free	Permanent	Total	Free	Permanent	Total
	Commitment	Commitment		Commitment	Commitment		Commitment	Commitment	
Revenue									
Donations	10,076,978,648	-	10,076,978,648	2,650,505,000	3,173,000,000	5,823,505,000	3,468,784,773	-	3,468,784,773
Deposit Interest	34,772,148	-	34,772,148	1,277,904	-	1,277,904	-	-	-
Other Incomes	558,551,117	-	558,551,117	25,953,421	-	25,953,421	62,320,030	-	62,320,030
Total Revenue	10,670,301,913	-	10,670,301,913	2,677,736,325	3,173,000,000	5,850,736,325	3,531,104,803	-	3,531,104,803
Expenses & Losses									
Management, General Expenses and Other Program Expenses	3,618,862,935	65,000,000	3,683,862,935	3,109,525,142	65,000,000	3,174,525,142	3,635,002,737	65,000,000	3,700,002,737
Total Expenses & Losses	3,618,862,935	65,000,000	3,683,862,935	3,109,525,142	65,000,000	3,174,525,142	3,635,002,737	65,000,000	3,700,002,737
Changing in Net Assets	7,051,438,978	(65,000,000)	6,986,438,978	(431,788,817)	3,108,000,000	2,676,211,183	(103,897,934)	(65,000,000)	(168,897,934)
Beginning Balance Of Net Assets	9,166,477,282	5,981,106,906	15,147,584,188	9,598,266,099	2,873,106,906	12,471,373,005	9,702,164,033	2,938,106,906	12,640,270,939
Ending Balance Of Net Assets	16,217,916,260	5,916,106,906	22,134,023,166	9,166,477,282	5,981,106,906	15,147,584,188	9,598,266,099	2,873,106,906	12,471,373,005

THE HABIBIE CENTER
Cash Flow Statement
For The Year Ended December 31, 2005, 2004 and 2003

(in Rupiah)

Description	2005	2004	2003
Cash Flow From Operating Activities			
Receipt from Donation	10,076,978,648	5,823,505,000	3,468,784,773
Interest in Deposit	34,772,148	1,277,904	-
Other Incomes	558,551,117	25,953,421	62,320,030
(Increase) / Decrease in Accounts Receivable	(15,634,949)	22,869,900	(37,313,300)
Increase / (Decrease) in Accounts Payable	(216,900)	(6,210,800)	22,450,100
(Increase) / Decrease Advance Payments	(1,011,468,067)	(198,287,242)	404,871,406
Management, General Expenses and Other Program Expenses	(4,107,536,472)	(2,139,509,539)	(3,033,319,980)
Net Cash Flow From Receipt from/(Used for) Operating Activities	5,535,445,525	3,529,598,644	887,793,029
Cash Flow from Investing Activities			
Fixed Asset Purchase	(392,463,702)	(515,048,793)	(898,437,704)
Other Asset Placement	65,000,000	65,000,000	65,000,000
Investment	-	(3,173,000,000)	-
Construction in Progress	(1,431,020,020)	-	-
Net Cash Flow From Receipt from (Used for) Investing Activities	(1,758,483,722)	(3,623,048,793)	(833,437,704)
Cash Flow from Financing Activities			
Interest on Deposit	-	-	-
Exchange Rate (Losses)/Gains	-	-	-
Net Cash Flow From Receipt from/(Used for) Financing Activities	-	-	-
Increase/(Decrease) In Cash & Cash Equivalents	3,776,961,803	(93,450,149)	54,355,325
Beginning Balance of Cash & Cash Equivalents	357,725,302	451,175,451	396,820,126
Ending Balance of Cash & Cash Equivalents	4,134,687,105	357,725,302	451,175,451

No. : 070/Aus/SH/VI/2006

Dewan Pembina dan Dewan Pengurus
YAYASAN SDM-IPTEK

Kantor Akuntan Publik

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kash0001@rad.net.id

Laporan Auditor Independen

Kami telah mengaudit laporan keuangan **Yayasan SDM-IPTEK** tanggal 31 Desember 2005 dan 2004 serta laporan aktivitas dan perubahan aktiva bersih, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut. Laporan keuangan adalah tanggung jawab manajemen perusahaan. Tanggung jawab kami terletak pada pernyataan pendapat atas laporan keuangan berdasarkan audit kami.

Kami melaksanakan audit berdasarkan standar auditing yang ditetapkan oleh Ikatan Akuntan Indonesia. Standar tersebut mengharuskan kami merencanakan dan melaksanakan audit agar memperoleh keyakinan memadai bahwa laporan keuangan bebas dari salah saji material. Suatu audit meliputi pemeriksaan atas dasar pengujian, bukti-bukti yang mendukung jumlah-jumlah dan pengungkapan dalam laporan keuangan. Audit juga meliputi penilaian atas prinsip akuntansi yang digunakan dan diestimasi signifikan yang dibuat oleh manajemen, serta penilaian terhadap penyajian laporan keuangan secara keseluruhan. Kami yakin audit kami memberikan dasar memadai untuk menyatakan pendapat.

Menurut pendapat kami, laporan keuangan yang kami sebut diatas menyajikan secara wajar, dalam semua hal yang material, posisi keuangan Yayasan SDM IPTEK tanggal 31 Desember 2005 dan 2004 serta aktivitas dan perubahan aktiva bersih, dan arus kas untuk tahun yang berakhir pada tanggal tersebut sesuai dengan prinsip akuntansi yang berlaku umum.



Drs. Santoso Harsokusumo

Lisensi AP No. 98.1.0039

22 Juni 2006

Laporan keuangan yang terdapat dalam laporan ini tidak dimaksudkan untuk menunjukkan posisi keuangan, hasil aktivitas dan perubahan aktiva bersih, dan arus kas yang sesuai dengan prinsip akuntansi dan praktik-praktik yang berlaku umum disuatu negara dan wilayah hukum selain Indonesia. Standar dan prosedur yang digunakan dalam audit suatu laporan keuangan dapat berbeda dengan yang berlaku umum di negara dan wilayah hukum selain Indonesia. Untuk itu laporan keuangan dan laporan auditor selanjutnya tidak untuk digunakan oleh pihak-pihak yang tidak memahami prinsip akuntansi dan auditing, dan aplikasinya di Indonesia.

SDM-IPTEK FOUNDATION
Statement Of Financial Position
For The Year Ended December 31, 2005, 2004 and 2003

(In Rupiah)

Description	2005	2004	2003
Assets			
Current Assets			
Cash & Cash Equivalent	19,884,292	134,430,832	93,721,795
Account Receivable	1,500,000	1,500,000	1,500,000
Advance Payment	-	18,700,000	-
Total Current Assets	21,384,292	154,630,832	95,221,795
Investment	35,216,206,000	33,775,714,000	31,805,830,000
Fixed Assets			
Cost Of Acquisition	126,542,950	123,092,950	116,822,950
Accumulated Depreciation	99,351,212	91,454,569	75,582,193
Book Value	27,191,738	31,638,381	41,240,757
Other Assets	0	-	-
Total Assets	35,264,782,030	33,961,983,213	31,942,292,552
Liabilities & Net Assets			
Liabilities			
Account Payables	-	-	-
Total Liabilities	-	-	-
Net Assets			
Free Commitments	(4,733,518,627)	(3,520,394,493)	(2,388,428,109)
Permanent Commitments	39,998,300,657	37,482,377,706	34,330,720,661
Total Net Assets	35,264,782,030	33,961,983,213	31,942,292,552
Total Liabilities & Net Assets	35,264,782,030	33,961,983,213	31,942,292,552

SDM-IPTEK FOUNDATION
Statement Of Activities
For The Year Ended December 31, 2005, 2004 and 2003

(in Rupiah)

Description	2005			2004			2003		
	Free Commitment	Permanent Commitment	Total	Free Commitment	Permanent Commitment	Total	Free Commitment	Permanent Commitment	Total
Revenue									
Donations	-	-	-	-	-	-	-	-	-
Deposit Interest	-	669,491,776	669,491,776	-	285,246,784	285,246,784	-	739,246,126	739,246,126
Other Incomes	795,900	-	-	-	400,000	400,000	-	-	-
Total Revenue	795,900	669,491,776	670,287,676	-	285,646,784	285,646,784	-	739,246,126	739,246,126
Expenses & Losses									
Scholarship & Habibie Award Program Expenses	1,068,226,775	-	1,068,226,775	979,689,392	-	979,689,392	1,047,522,157	-	1,047,522,157
Exchange Rate Loss/(Gains)	-	(1,846,431,175)	(1,846,431,175)	-	(2,866,010,261)	(2,866,010,261)	-	1,674,113,001	1,674,113,001
Management, General Expenses and Other Program Expenses	145,693,259	-	145,693,259	152,276,992	-	152,276,992	647,249,847	-	647,249,847
Total Expenses & Losses	1,213,920,034	(1,846,431,175)	(632,511,141)	1,131,966,384	(2,866,010,261)	(1,734,043,877)	1,694,772,004	1,674,113,001	3,368,885,005
Changing in Net Assets	(1,213,124,134)	2,515,922,951	1,302,798,817	(1,131,966,384)	3,151,657,045	2,019,690,661	(1,694,772,004)	(934,866,875)	(2,629,638,879)
Beginning Balance Of Net Assets	(3,520,394,493)	37,482,377,706	33,961,983,213	(2,388,428,109)	34,330,720,661	31,942,292,552	(693,656,105)	35,265,587,536	34,571,931,431
Ending Balance Of Net Assets	(4,733,518,627)	39,998,300,657	35,264,782,030	(3,520,394,493)	37,482,377,706	33,961,983,213	(2,388,428,109)	34,330,720,661	31,942,292,552

SDM-IPTEK FOUNDATION
Cash Flow Statement
For The Year Ended December 31, 2005, 2004 and 2003

(In Rupiah)

Description	2005	2004	2003
Cash Flow From Operating Activities			
Other Incomes	795,900	400,000	-
Scholarship & Habibie Award Program Expenses	(1,068,226,775)	(979,689,392)	(1,047,522,157)
(Increase) / Decrease in Accounts Receivable		-	-
Increase / (Decrease) in Accounts Payable		-	-
(Increase) / Decrease Advance Payments	18,700,000	(18,700,000)	
Management, General Expenses and Other Program Expenses	(137,796,616)	(136,404,616)	(630,951,447)
Net Cash Flow From Receipt from/(Used for)	(1,186,527,491)	(1,134,394,008)	(1,678,473,604)
Operating Activities			
Cash Flow from Investing Activities			
Deposit Placement	(1,440,492,000)	(1,969,884,000)	2,677,020,000
Fixed Asset Purchase	(3,450,000)	(6,270,000)	(8,159,400)
Other Asset Placement	-	-	-
Net Cash Flow From Receipt from (Used for)	(1,443,942,000)	(1,976,154,000)	2,668,860,600
Investing Activities			
Cash Flow from Financing Activities			
Interest on Deposit	669,491,776	285,246,784	739,246,126
Exchange Rate (Losses)/Gains	1,846,431,175	2,866,010,261	(1,674,113,001)
Net Cash Flow From Receipt from/(Used for)	2,515,922,951	3,151,257,045	(934,866,875)
Financing Activities			
Increase/(Decrease) In Cash & Cash Equivalents	(114,546,540)	40,709,037	55,520,121
Beginning Balance of Cash & Cash Equivalents	134,430,832	93,721,795	38,201,674
Ending Balance of Cash & Cash Equivalents	19,884,292	134,430,832	93,721,795

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