

EXECUTIVE SUMMARY

Starting from Indonesia natural beauty and resources with 17.000 islands that unwell developed by government and society but likely to be traded illegally to foreigners. This case shows that our natural resources are priceless and valuable that consist economic value for our nation and business owner. This reason has initiate our business plan to develop one of Indonesia outer island located in north Sumatra, Berhala Island, abutted with Malaysia become tourism spot. We are going to cooperate with government to get land tenure with Build Operate and Transfer (BOT) method.

Tourism industry in Indonesia growth potential is reflected from Tourism and Culture Department projection about tourist growth 6.25% from International tourist and 4.68% growth for domestic tourist in 2010-2014. Besides that, according to www.forbes.com, Resort business usually able to gain average profit margin 24-27%/year. This shows that tourism business is a potential business. We've done external and internal environment analysis, and it's shows that tourism growth potential is exist as long as we can tell our differentiation that suit with customer's need.

We'll build one exclusive and premium resort named Berhala Island Resort that offer romantic and intimate experience with their spouse in their "own" natural island for our guest. Berhala Island Resort is positioned as "Your Romantic Island". Guest will be accompanied by private butler that ready for 24 hours. Our guest will enjoy natural interaction with sea turtle every night when they land to hatch. We also provide yacht and amphibian plan for our guest to enjoy "their" island beauty in their wedding or honeymoon activities, which are Berhala Island Resort main's product package.

With estimated potential target market, 10.685 SES A tourist/year in Indonesia that come from United State and Europe , we want to reach 70% occupancy rate. To ensure we have sustainable business in the future, we put customer loyalty as No.1

priority. Our product will be distributed through 3 alternative distribution channel, direct, tour agent and operator tour. Our product pricing is also one of our method to show our resort quality and exclusivity. Promotion activity will be started 6 months before official launch by inviting public figure and our distribution channel.

As service company where people is key element to create customer delight and loyalty, we invest in high quality in skill, knowledge and attitude human resources that match with company vision, mission, culture and value. Our investment is implemented through selective recruitment and intensive self development training periodically. We also ensure our employee wealth and health while working with us to create energizing and productive activities so that company vision and mission can be achieved.

Nature is our main element of business. We are committed to be in harmony with nature in way of using renewable energy source up to 50% of energy usage and recycle liquid waste to avoid harm to plant and land. Berhala Island Resort is planned to be built in 30 months by cooperating with other expert companies that will need USD 14.75 Million Investment. investment will be covered from 65% equity and 35% debt from shareholders. In the future we also giving opportunity for our loyal guest to invest in our next development. Based on our projection, Berhala Island Resort will generate USD 1.7 Million Positive Net Present Value and has 10.3 year payback period. We'll also consistently pay dividend 40% yearly from positive Earning After Tax. We are using Internal Rate of Return method to justify our business feasibility. Internal Rate of Return achieve 11.3% which is higher than our Weighted Average Cost of Capital calculation, 11.21%. This Summarized that our business is feasible to be run. Be prepared to enjoy "Your Romantic Island", Berhala Island Resort.