



**Jardine Strategic**

Jardine Strategic Holdings Limited  
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## Press Release

[www.jardines.com](http://www.jardines.com)

To: Business Editor

20th April 2017

For immediate release

### **PT Astra International Tbk 2017 First Quarter Financial Statements**

The following announcement was issued today by the Company's 75%-owned subsidiary, Jardine Cycle & Carriage Limited, which holds 50.1% of PT Astra International Tbk.

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**20th April 2017**  
**PT ASTRA INTERNATIONAL TBK**  
**2017 FIRST QUARTER FINANCIAL STATEMENTS**

**Highlights**

- Net earnings per share up 63% at Rp126
- Increased market share for both cars and motorcycles
- Strong recovery in coal prices benefited heavy equipment and mining volumes
- Agribusiness improved with higher CPO prices and production

“Astra saw good performances from most of its businesses in the first quarter of 2017. Looking ahead, the Group is expected to benefit from the continued growth in the Indonesian economy, supported by higher commodity prices, although its automotive activities are expected to face increasing price competition.”

Prijono Sugiarto  
 President Director

**Group Results**

	For the period ended 31st March		
	2017 Rp bn	2016 Rp bn	Change %
Net revenue	48,780	41,887	16%
Net income*	5,087	3,112	63%
	<b>Rp</b>	<b>Rp</b>	
Net earnings per share	126	77	63%
	As at 31st March 2017 Rp bn	As at 31st December 2016 Rp bn	Change %
Shareholders' funds**	116,953	111,951	4%
	<b>Rp</b>	<b>Rp</b>	
Net asset value per share**	2,889	2,765	4%

\* Net income is profit attributable to owners of the parent, i.e. Astra International shareholders.

\*\* Shareholders' funds and net asset value per share are based on equity attributable to owners of the parent.

The financial results for the three months ended 31st March 2017 and 2016 as well as the financial position as at 31st March 2017 have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited. The financial position as at 31st December 2016 has been prepared in accordance with Indonesian Financial Accounting Standards and audited in accordance with the auditing standards established by the Indonesian Institute of Certified Public Accountants.

## PRESIDENT DIRECTOR'S STATEMENT

### Overview

During the first quarter of 2017, the Group's automotive businesses achieved strong market shares for both cars and motorcycles. The overall wholesale market for cars grew while for motorcycles declined. The Group's financial services businesses improved with a return to profit for Permata Bank, while higher commodity prices led to better trading performances from the heavy equipment and agribusiness divisions.

### Performance

The Group's consolidated net revenue for the period increased by 16% to Rp48.8 trillion, with higher revenue contributions from most of its business segments.

The Group's net income was 63% higher at Rp5.1 trillion, with improved results from most business segments except information technology, and infrastructure and logistics.

The net asset value per share was Rp2,889 at 31st March 2017, 4% higher than at the end of 2016.

Net cash, excluding the Group's financial services subsidiaries, was Rp131 billion, significantly lower compared with net cash of Rp6.2 trillion at the end of 2016, mainly due to toll road and power plant investments made in the first quarter of 2017. The Group's financial services subsidiaries had net debt of Rp46.4 trillion, compared with Rp47.7 trillion at the end of 2016.

### Business Activities

Net income attributable to shareholders by business segment for the quarter was as follows:

	Net Income Attributable to Astra International		
	For the period ended 31st March		
	2017 Rp bn	2016 Rp bn	Change %
Automotive	2,288	1,580	45%
Financial Services	1,124	641	75%
Heavy Equipment and Mining	902	442	104%
Agribusiness	638	333	92%
Infrastructure and Logistics	67	69	(3%)
Information Technology	26	34	(23%)
Property	42	13	223%
Attributable Net Income	5,087	3,112	63%

### **Automotive**

Net income from the Group's automotive division increased by 45% to Rp2.3 trillion, largely due to the sales momentum from successful new model introductions in 2016 which has continued into 2017.

The wholesale market for cars grew by 6% to 283,000 units. Astra's car sales were 27% higher at 161,000 units, resulting in an increase in market share from 48% to 57%. The Group launched one new model and two revamped models during the first quarter of 2017.

The wholesale market for motorcycles decreased by 7% to 1.4 million units. While Astra Honda Motor's domestic sales fell 2% to 1.1 million units, its market share rose from 72% to 77%, supported by the launch of four new models and six revamped models during the period.

Net income of Astra Otoparts, the Group's component business, increased 83% to Rp148 billion, supported by higher revenue from its OEM and aftermarket segments and a higher earnings contribution from its joint venture and associate companies.

### **Financial Services**

Net income from the Group's financial services division increased 75% to Rp1.1 trillion, with improved contributions from most financial services businesses, including Permata Bank.

The Group's consumer finance businesses saw a 17% increase in the aggregate amount financed, including amounts financed through joint bank financing without recourse, to Rp18.7 trillion. Car-focused Astra Sedaya Finance reported net income 11% higher at Rp237 billion, while Toyota Astra Financial Services recorded a 25% increase in net income at Rp100 billion, both benefiting from growth in the car market and Astra's increased market share. Motorcycle-focused Federal International Finance's net income was up 13% at Rp444 billion, benefiting from Honda's improved market share and loan product diversification.

The aggregate amount financed through the Group's heavy equipment-focused finance operations increased by 28% to Rp1.3 trillion. Net income at Surya Artha Nusantara Finance, which specialises in small and medium heavy equipment financing, was slightly lower at Rp20 billion.

Astra's 44.6%-held joint venture, Permata Bank, reported net income of Rp453 billion compared with net loss of Rp376 billion in the same period in 2016. The bank's gross non-performing loan ratio declined from 8.8% at the end of 2016 to 6.4% at the end of March 2017, while its net non-performing loan ratio remained stable at 2.2%. The improved performance of Permata Bank was the result of good underlying income and the liquidation of non-performing loans as planned. In order to further strengthen its capital base, a Rp3.0 trillion rights issue is expected to be completed in the first half of 2017, of which Rp1.5 trillion had already been injected as a capital advance in December 2016 by its two major shareholders, Astra International and Standard Chartered Bank.

Asuransi Astra Buana, the Group's general insurance company, reported net income 4% higher at Rp215 billion, primarily due to increased automotive underwriting income.

During the period, the Group's life insurance joint venture, Astra Aviva Life, acquired close to 67,000 individual life customers and 145,000 participants for its corporate employee benefits programmes, bringing the respective totals to 267,000 and 637,000 at the end of the first quarter of 2017.

### ***Heavy Equipment and Mining***

The net income contribution to the Group from its heavy equipment and mining division increased by 104% to Rp902 billion.

United Tractors, which is 59.5%-owned, reported net income 105% higher at Rp1.5 trillion due to higher business volumes in construction machinery, mining contracting and mining operations, all of which benefited from improved coal prices.

In its construction machinery business, Komatsu heavy equipment sales were up 70% to 847 units, while parts and service revenues were also higher. The mining contracting operations of Pamapersada Nusantara recorded a 2% increase in coal production at 25 million tonnes while overburden removal was 3% higher at 171 million bank cubic metres. United Tractors' mining subsidiaries reported 9% higher coal sales at 1.9 million tonnes.

General contractor Acset Indonusa, a 50.1% subsidiary of United Tractors, reported net income up 63% at Rp31 billion, with new contracts of Rp6.9 trillion secured in the period, compared with Rp2.4 trillion secured in the first quarter of 2016.

In March 2017, 25%-owned Bhumi Jati Power, which will develop and operate two 1,000 MW thermal power plants in Central Java, completed its project financing agreement with lenders. This build, operate and transfer project is expected to cost approximately US\$4.2 billion and is scheduled to start commercial operation in 2021. Bhumi Jati Power is a joint venture amongst wholly owned subsidiaries of United Tractors, Sumitomo Corporation and Kansai Electric Power Co Inc.

In March 2017, United Tractors through its subsidiary Tuah Turangga Agung, also completed the acquisition of an 80.1% stake in PT Suprabari Mapanindo Mineral, a coking coal company in Central Kalimantan.

### ***Agribusiness***

Net income from the Group's agribusiness division increased by 92% to Rp638 billion in the first quarter of 2017.

Astra Agro Lestari, which is 79.7%-owned, reported net income of Rp801 billion, up from Rp418 billion in the first quarter of 2016, due to improved revenue from higher crude palm oil prices and increased crude palm oil production and sales. Average crude palm oil prices achieved were 36% higher at Rp8,953/kg, while sales of crude palm oil and its derivatives were 1% higher at 410,000 tonnes compared to the same period last year.

### ***Infrastructure and Logistics***

Net income of the Group's infrastructure and logistics division decreased by 3% to Rp67 billion, mainly due to initial losses arising from the commencement of the Cikopo-Palimanan toll road and lower earnings from its water utility business.

The 72km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, saw traffic volumes increase by 5% to 12 million vehicles. Construction continues at the wholly-owned 41km Jombang-Mojokerto toll road, where 20km is already operational. At the 73km Semarang-Solo toll road, in which the Group has a 25% interest, 23km is now in operation.

In January 2017, the Group completed the acquisition of an initial 40% interest in PT Baskhara Utama Sedaya, which owns 45% of the operator of the fully operational 116km Cikopo-Palimanan toll road, and has subsequently conditionally agreed to acquire the remaining 60% interest. Along with its 40% stake in the 11km Kunciran-Serpong toll road and a 25% stake in the 40km Serpong-Balaraja toll road, both of which are greenfield, the Group's total interest in toll roads amounts to 353km.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, experienced a 2% decrease in sales volume to 38 million cubic metres.

Serasi Autoraya's net income increased by 82% to Rp40 billion, due to higher net margins in its car leasing and rental and logistics businesses, despite a 2% decline in contracted vehicles in its car leasing and rental business.

### ***Information Technology***

Net income from the Group's information technology division decreased by 23% to Rp26 billion.

Astra Graphia, which is 76.9%-owned, reported a 23% decline in net income to Rp33 billion mainly due to lower revenues from its IT solutions business.

### ***Property***

Net income from the Group's property division at Rp42 billion was significant higher than the Rp13 billion achieved in first quarter of 2016, mainly due to higher development earnings recognised on Anandamaya Residences.

**Prospects**

Astra saw good performances from most of its businesses in the first quarter of 2017. Looking ahead, the Group is expected to benefit from the continued growth in the Indonesian economy, supported by higher commodity prices, although its automotive activities are expected to face increasing price competition.

Prijono Sugiarto  
President Director  
20th April 2017

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