



**Jardine Strategic**

Jardine Strategic Holdings Limited  
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## Press Release

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

To: Business Editor

30th July 2013

For immediate release

### **PT Astra International Tbk 2013 Half Year Financial Statements**

The following announcement was issued today by the Company's 73%-owned subsidiary, Jardine Cycle & Carriage Limited, which holds 50.1% of PT Astra International Tbk.

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## PRESS RELEASE

30th July 2013

**PT ASTRA INTERNATIONAL TBK  
2013 HALF YEAR FINANCIAL STATEMENTS  
Highlights**

- Net earnings per share down 9% to Rp 218
- Improved results in financial services and mining contracting
- Contribution from the automotive segment was lower, despite an increase in volumes
- Heavy equipment recorded 42% lower volumes

“While the outlook for domestic demand remains positive, it is expected that increased competition in the car market, higher labour costs and lower commodity prices will continue to impact results in the second half of the year.”

Prijono Sugiarto  
President Director  
30th July 2013

**Group Results**

	Period ended 30th June		
	2013 Rp bn	2012 Rp bn	Change %
Net revenue	94,279	95,919	(2)
Net income *	8,819	9,678	(9)
	Rp	Rp	
Net earnings per share	218	239	(9)
	As at 30th June 2013 Rp bn	As at 31st December 2012 Rp bn	Change %
Shareholders' funds**	75,061	71,201	5
	Rp	Rp	
Net asset value per share**	1,854	1,759	5

\* Net income is profit attributable to owners of the parent.

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

The financial results for six months ended 30th June 2013 and 2012 as well as the financial position as at 30th June have been prepared in accordance with Indonesian Financial Accounting Standards. These results are unaudited. The financial position as at 31st December 2012 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**

The Group's net earnings declined by 9% during the first half as improved contributions from the financial services and mining contracting businesses were offset by lower contributions from the automotive, heavy equipment and agribusiness segments. Economic conditions continue to support domestic demand, but the Group's operations are facing increased competition in the car market, higher labour costs and lower commodity prices.

### **Performance**

In the first half of 2013, net revenue was Rp 94.3 trillion, a decrease of 2%. Net income was 9% lower at Rp 8.8 trillion, while net earnings per share also declined by 9% to Rp 218.

The Group's net asset value of Rp 1,854 per share at 30th June 2013 was 5% higher than at the end of 2012.

Net debt at 30th June 2013, excluding the Group's financial services subsidiaries, was Rp 6.2 trillion, compared to Rp 8.9 trillion at the end of 2012, owing largely to proceeds from the sell down of a 15.6% interest in Astra Otoparts. The Group's financial services subsidiaries had net debt at 30th June 2013 of Rp 39.2 trillion, compared to Rp 36.8 trillion at the end of 2012 reflecting an increase in automotive volumes financed.

### **Business Activities**

The Group's activities are focused on six business segments – automotive, financial services, heavy equipment and mining, agribusiness, infrastructure and logistics, and information technology.

#### *Automotive*

Net income from the Group's automotive businesses declined by 10% to Rp 4.4 trillion, comprising Rp 1.9 trillion from the Company and subsidiaries, and Rp 2.5 trillion from associates and jointly controlled entities.

Automotive demand remained favourable during the first half, benefiting from rising incomes and affordable interest rates. There was an overall decline in the earnings contribution from the segment, however, due to increased competition in the car market following the introduction of additional domestic capacity and higher labour costs. New minimum down-payment requirements in automotive Shariah-financing, introduced for finance companies from 1st January 2013 and for banks from 1st April 2013, had a negligible impact on the first half results. It is too early to estimate the impact on sales of the fuel price increases which came into effect in the last week of June.

The wholesale market for cars grew by 12% to 602,000 units. Astra's car sales rose by 6% to 321,000 units, with its market share declining from 56% to 53%. Astra launched six new models and eight revamped models during the first half.

The wholesale market for motorcycles increased by 6% to 3.9 million units. Astra Honda Motor's sales increased by 12% to 2.4 million units, with its market share increasing from 57% to 60%. Astra Honda Motor launched two new models and five revamped models during the first half.

Astra Otoparts, the Group's 80%-owned automotive components business, reported net income down 2% at Rp 519 billion of which 71% was from associates and jointly controlled entities. The decline in earnings, despite higher sales in the original equipment, replacement and export markets sector, was largely due to increased labour costs. During the second quarter Astra Otoparts successfully completed a Rp 3.0 trillion rights issue to strengthen its capital base. Astra International also placed 15.7% of Astra Otoparts shares so as to enhance the liquidity in the stock, generating Rp 2.8 trillion in gross proceeds.

In April, Astra Otoparts acquired 51% of PT Pakoakuina, a producer of wheel rims for both cars and motorcycles for a consideration of Rp 700 billion that was satisfied by the issue of new shares.

The Indonesian Government has announced tax incentives to encourage the domestic production of Low Cost Green Cars. The Group has products that are well positioned to benefit from these exemptions, including the Astra-Toyota Agya and the Astra-Daihatsu Ayla that it expects to begin distributing in August, with production capacity of 10,000 units per month.

### *Financial Services*

Net income from the Group's financial services businesses grew by 19% to Rp 2.1 trillion.

The aggregated amount financed through Astra's automotive-focused consumer finance operations, Federal International Finance, Astra Credit Companies and Toyota Astra Financial Services, grew by 6% to Rp 27.8 trillion, including balances financed through joint bank financing without recourse. The aggregated amount financed through Astra's heavy equipment-focused finance operations, Surya Artha Nusantara Finance and Komatsu Astra Finance, declined by 42% to Rp 2.6 trillion following a reduction in sales.

Astra's 44.6%-held joint venture, Bank Permata, reported net income up 15% at Rp 818 billion. Higher net interest income arising from a 27% increase in the loan book was partly offset by increased operating costs.

Group insurance company, Asuransi Astra Buana, recorded higher earnings with growth in gross written premiums more than compensating for higher reinsurance and claims expenses.

### *Heavy Equipment and Mining*

The Group's net income from its heavy equipment and mining businesses declined by 24% to Rp 1.4 trillion as United Tractors, which is 59.5%-owned, reported net income down 25% at Rp 2.3 trillion while net revenue declined 19%.

In its construction machinery business, net revenue was 40% lower as sales of Komatsu heavy equipment fell 42% to 2,452 units due to reduced demand from the mining sector, particularly for larger units. The coal mining contracting operations of subsidiary, Pamapersada Nusantara, benefited from increased mine site capacity. It reported a 12% improvement in net revenue as contract coal production increased 12% to 50 million tonnes and contract overburden removal rose 2% to 414 million bank cubic metres. United Tractors' mining subsidiaries saw a decrease in net revenue of 44% as coal sales fell 29% to 2.2 million tonnes. The decline in coal prices and increased fuel costs also negatively impacted earnings.

### *Agribusiness*

The Group's net income from agribusiness declined by 25% to Rp 571 billion as Astra Agro Lestari, which is 79.7%-held, reported net income of Rp 717 billion. Despite an 11% increase in palm oil production to 704,000 tonnes, revenue fell 3% to Rp 5.5 trillion, due to average crude

palm oil prices achieved being 16% lower at Rp 6,638 per kg. The fall in revenue coupled with higher production costs and operating expenses, resulted in a decline in net income. Astra Agro Lestari has begun construction of a refinery in West Sulawesi, which will convert crude palm oil from the group's plantations in Kalimantan and Sulawesi into olein and stearin. The Rp 750 billion refinery is expected to be operating in early 2014 with a production capacity of 2,000 tonnes per day.

#### *Infrastructure and Logistics*

Net income from infrastructure and logistics declined by 29% to Rp 223 billion.

The 72.5 km Tangerang - Merak toll road operated by 79.3%-owned Marga Mandalasakti reported traffic volumes up 11% at 20 million vehicles.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, reported a modest decrease in sales volume to 78 million cubic metres.

Serasi Autoraya's revenue improved as the number of vehicles under contract at its TRAC car rental business increased by 2% to over 31,000 units but the benefit was offset by higher depreciation and operating costs, resulted in a decline in net income by 27% to Rp 97 billion.

#### *Information Technology*

Net income from information technology was Rp 55 billion, a 2% increase compared to the first half of 2012, as the 76.9%-owned Astra Graphia, the information technology solutions provider and sole distributor of Fuji Xerox equipment in Indonesia, reported net income of Rp 72 billion, 2% up year on year.

### **Prospects**

While the outlook for domestic demand remains positive, it is expected that increased competition in the car market, higher labour costs and lower commodity prices will continue to impact results in the second half of the year.

Prijono Sugiarto  
President Director  
30th July 2013

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