



Jardine Strategic

Jardine Strategic Holdings Limited
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Press Release

www.jardines.com

To: Business Editor

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For immediate release

PT Astra International Tbk 2014 Half Year Financial Statements

The following announcement was issued today by the Company's 74%-owned subsidiary, Jardine Cycle & Carriage Limited, which holds 50.1% of PT Astra International Tbk.

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24th July 2014

PRESS RELEASE

**PT ASTRA INTERNATIONAL TBK
2014 HALF YEAR FINANCIAL STATEMENTS
Highlights**

- Net earnings per share up 11% to Rp 242
- Unit sales of cars up 4% and motorcycles up 11%
- Decline in contribution from automotive
- Increased earnings from agribusiness and contract mining

“The Group’s businesses produced mixed results in the first half, despite generally strong operating volumes. While the outlook for the remainder of the year is for a satisfactory operating performance, it is expected that there will continue to be heightened competition in the car market and a subdued outlook for coal prices.”

Prijono Sugiarto
President Director
24th July 2014

Group Results

	Period ended 30th June		
	2014 Rp bn	2013 Rp bn	Change %
Net revenue	101,528	94,279	8
Net income *	9,815	8,819	11
	Rp	Rp	
Net earnings per share	242	218	11
	As at 30th June 2014 Rp bn	As at 31st December 2013 Rp bn	Change %
Shareholders' funds**	88,418	83,938	5
	Rp	Rp	
Net asset value per share**	2,184	2,073	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 the six months ended 30th June 2014 and 2013 as well as the financial position as at 30th June have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited. The financial position as at 31st December 2013 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

Improved results from the Group's agribusiness and contract mining operations were partially offset by a reduction in earnings from the Group's automotive businesses as margins declined in the car sector. The Group's financial services businesses recorded earnings up 15%, which included a Rp 440 billion one-time gain on the acquisition of 50% of Astra Aviva Life.

Astra's wholesale car sales rose by 4%, while Astra's wholesale motorcycle sales rose by 11%. The amount financed through the Group's automotive-focused consumer finance operations grew by 11%. Komatsu unit sales were 10% lower, while contract coal production rose 20% and overburden removal decreased by 3%. Crude palm oil sales were down by 10%, and 92,000 tonnes of olein were sold following commencement of refining operations.

Performance

The Group recorded consolidated net revenue of Rp 101.5 trillion for the first half, an increase of 8% compared to 2013, primarily due to improved agribusiness and contract mining sales. Net income increased 11% to Rp 9.8 trillion, reflecting a 91% increase in contribution from agribusiness, a 41% increase from heavy equipment and mining, and a 15% increase from financial services, partially offset by a 9% decline from automotive.

The Group's net asset value per share of Rp 2,184 at 30th June 2014 was 5% higher than at the end of 2013.

Overall net debt, exclusive of the Group's financial services subsidiaries, was Rp 4.2 trillion, compared to net debt of Rp 3.7 trillion at the end of 2013, a 14% increase. The Group's financial services subsidiaries had net debt of Rp 42.1 trillion, compared to Rp 42.3 trillion at 2013 year end.

Business Activities

The Group's activities are focused on six business segments – automotive, financial services, heavy equipment and mining, agribusiness, infrastructure, logistics and others, and information technology. Net income attributable to Astra International's shareholders by business segment for the first half of 2014 and for the first half of last year is as follows:

	Net Income Attributable to Astra International		
	Period ended 30th June		
	2014 Rp Bn	2013 Rp Bn	Change %
Automotive	4,003	4,413	(9)
Financial Services	2,478	2,147	15
Heavy Equipment and Mining	1,988	1,410	41
Agribusiness	1,091	571	91
Infrastructure, Logistics and Others	171	223	(23)
Information Technology	84	55	53
Attributable Net Income	9,815	8,819	11

Automotive

Net income from the Group's automotive businesses declined by 9% to Rp 4.0 trillion.

While automotive demand remained favourable during the first half, discounting in the car market continued to have a negative impact on earnings. The Group's component businesses also made a lower contribution following the reduction in the Group's interest in Astra Otoparts from 95.7% to 80% in the second quarter of 2013.

The wholesale market for cars grew by 7% to 642,000 units. Astra's car sales rose by 4% to 334,000 units, resulting in its market share decreasing from 53% to 52%. The Group launched eleven new models and seven revamped models during the first half.

The wholesale market for motorcycles increased by 7% to 4.2 million units. Astra Honda Motor's sales increased by 11% to 2.6 million units, with its market share increasing from 60% to 62%. Astra Honda Motor launched eleven revamped models during the first half.

Astra Otoparts, the Group's 80%-held component business, saw higher sales volumes although net income fell by 11% to Rp 454 billion on lower manufacturing margins.

Financial Services

Net income from the Group's financial services businesses increased by 15% to Rp 2.5 trillion. Excluding the one-time gain from the acquisition of a 50% stake in Astra Aviva Life, net income from the Group's financial services businesses was 5% lower at Rp 2.0 trillion. Strong growth from Federal International Finance, in particular, was offset by a decline in contribution from Asuransi Astra Buana.

The aggregated amount financed through Astra's automotive-focused consumer finance operations grew by 11% to Rp 30.9 trillion, including balances financed through joint bank financing without recourse. The aggregated amount financed through the heavy equipment-focused finance operations declined by 23% to Rp 2.0 trillion due to a reduction in sales.

Astra's 44.6%-held joint venture, Permata Bank, reported net income of Rp 800 billion, a decrease of 2%.

Group insurance company, Asuransi Astra Buana, recorded lower earnings as strong growth in gross written premiums was offset by a decline in contribution from investment earnings due to the recognition of certain one-time gains during the first quarter of 2013 on the redemption of mutual fund holdings.

During the second quarter the Group completed the disposal of a 25% interest in Astra Sedaya Finance to Permata Bank for a cash consideration of Rp 2.2 trillion, with the resulting Rp 1.0 trillion gain being recorded directly in equity.

Heavy Equipment and Mining

The Group's net income from its heavy equipment and mining businesses increased by 41% to Rp 2.0 trillion.

United Tractors, which is 59.5%-owned, reported an 11% increase in net revenue and a 42% improvement in net income at Rp 3.3 trillion.

In the construction machinery business, net revenue decreased by 1%, reflecting a 10% decline in Komatsu heavy equipment sales to 2,207 units, offset by higher parts and service revenue.

The contract mining operations of subsidiary Pamapersada Nusantara benefited from improved coal volumes on lower stripping ratios. It reported a 12% increase in net revenue as contract coal production increased 20% to 60 million tonnes, meanwhile contract overburden removal decreased 3% to 401 million bank cubic metres.

United Tractors' mining subsidiaries reported an increase in net revenue of 46%, with coal sales 51% higher at 3.4 million tonnes, although the average coal sale prices declined by 7%. Increased fuel costs also reduced the gross profit margins. United Tractors and its subsidiaries own interests in nine coal mines with combined reserves as at 2013 year end estimated at 409 million tonnes.

Agribusiness

Net income from the Group's agribusiness division was Rp 1.1 trillion, an increase of 91%.

Astra Agro Lestari, which is 79.7%-held, reported net income of Rp 1.4 trillion, up 91%. Average crude palm oil prices achieved were 32% higher at Rp 8,728/ kg, although crude palm oil sales decreased by 10% to 675,000 tonnes, primarily due to the commencement of operations of Astra Agro Lestari's refinery in West Sulawesi, which sold 92,000 tonnes of olein during the first half.

Infrastructure, Logistics and Others

Net income from infrastructure, logistics and others fell by 23% to Rp 171 billion.

The 72.5 km Tangerang-Merak toll road operated by 79.3%-owned Marga Mandalasakti reported a 4% increase in traffic volume to 20.8 million vehicles with 14% higher average tariffs. The Group's 95%-owned greenfield 40.5 km Kertosono-Mojokerto toll road near Surabaya, which was acquired in late 2011, remains under construction. Section 1, being 14.7 km, is expected to commence operations before the end of 2014, with subsequent stages coming into operation during 2015, subject to the completion of land acquisitions. Taken together with Astratel's 40% interest in the greenfield 11.2 km Kunciran - Serpong toll road on Jakarta's outer ring-road, the Group has an interest in 124.2 km of toll road.

Serasi Autoraya's revenue improved despite the number of vehicles under contract at its TRAC car rental business being 5% lower at 30,000, but the benefit was offset by higher operating costs, resulting in a decline in net income by 25% to Rp 73 billion.

Anandamaya Residences, the Group's 60%-held luxury residential development project located in Jakarta's Central Business District, is expected to launch public sales during the third quarter. This high-end development consists of approximately 500 apartment units, with completion expected in 2018.

Information Technology

Net income from information technology grew by 53% to Rp 84 billion.

Astra Graphia, 76.9%-owned, which is active in the area of document information and communication technology solutions and is the sole distributor of Fuji Xerox office equipment in Indonesia, reported net income of Rp 110 billion, up 53%. During the second quarter, Astra Graphia sold its 51% interest in AGIT Monitise Indonesia, and recorded a gain on disposal of Rp 42 billion.

Prospects

The Group's businesses produced mixed results in the first half, despite generally strong operating volumes. Although the outlook for the remainder of the year is for a satisfactory operating performance, it is expected that there will continue to be heightened competition in the car market and a subdued outlook for coal prices.

Prijono Sugiarto
President Director
24th July 2014

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