



**Jardine Strategic**

Jardine Strategic Holdings Limited  
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## Press Release

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

To: Business Editor

30th October 2014

For immediate release

### **PT Astra International Tbk 2014 Third Quarter 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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30th October 2014

PRESS RELEASE

**PT ASTRA INTERNATIONAL TBK  
2014 THIRD QUARTER FINANCIAL STATEMENTS**

**Highlights**

- Net earnings per share up 8% to Rp 358
- Unit sales of cars down by 1% and motorcycles up by 9%
- Decline in contribution from automotive
- Increased earnings from agribusiness and contract mining

“The Group’s earnings were satisfactory despite being affected by heightened competition in the car market and lower coal prices. We expect the Group’s trading performance to remain little changed for the remainder of the year.”

Priyono Sugiarto  
President Director  
30th October 2014

**Group Results**

	Period ended 30th September		
	2014 Rp bn	2013 Rp bn	Change %
Net revenue	150,582	141,840	6
Net income *	14,492	13,464	8
	Rp	Rp	
Net earnings per share	358	333	8
	As at 30th September 2014 Rp bn	As at 31st December 2013 Rp bn	Change %
Shareholders' funds**	90,506	83,938	8
	Rp	Rp	
Net asset value per share**	2,236	2,073	8

\* 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 nine months ended 30th September 2014 and 2013 as well as the financial position as at 30th September 2014 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**

The Group's net income increased by 8% during the first nine months of the year. Improved results from the Group's agribusiness, contract mining operations and financial services businesses were partially offset by lower earnings from the automotive businesses as margins declined in the car sector. The Group's heavy equipment business reported slightly improved results on higher parts and service revenue, despite lower sales volumes due to the effect of weaker coal prices.

Astra's wholesale car sales were 1% lower, while its wholesale motorcycle sales rose by 9%. The amount financed through the Group's automotive-focused consumer finance operations grew by 11%. Sales of Komatsu units were down 10%. Contract coal production was up 15%, while overburden removal was 5% lower. Crude palm oil sales decreased by 9%, while 144,000 tonnes of olein were sold.

### **Performance**

The Group recorded consolidated net revenue up 6% at Rp 150.6 trillion for the first nine months, primarily due to improved agribusiness and contract mining sales. Net income increased 8% to Rp 14.5 trillion, reflecting a 107% increase in the contribution from agribusiness, a 40% increase from heavy equipment and mining, and a 14% increase from financial services, partially offset by a 14% decline from automotive.

The Group's net asset value per share of Rp 2,236 at 30th September 2014 was 8% higher than at the end of 2013.

Overall net debt, excluding the Group's financial services subsidiaries, was Rp 3.8 trillion, a 3% increase compared to the end of 2013. The Group's financial services subsidiaries had net debt of Rp 43.4 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 period is as follows:

	Net Income Attributable to Astra International		
	Period ended 30th September		
	2014 Rp bn	2013 Rp bn	Change %
Automotive	5,895	6,892	(14)
Financial Services	3,805	3,327	14
Heavy Equipment and Mining	2,905	2,079	40
Agribusiness	1,501	726	107
Infrastructure, Logistics and Others	252	339	(26)
Information Technology	134	101	33
Attributable Net Income	14,492	13,464	8

#### *Automotive*

Net income from the Group's automotive businesses declined by 14% to Rp 5.9 trillion.

Discounting in the car market continues to have a negative impact on margins in the sales operations. The contribution from the Group's component businesses, Astra Otoparts, also reflected the reduction in the Group's interest from 95.7% to 80% in the second quarter of 2013.

The wholesale market for cars grew by 3% to 933,000 units. Astra's car sales fell by 1% to 476,000 units, with its market share decreasing from 53% to 51%. The Group launched 18 new models and nine revamped models during the period.

The wholesale market for motorcycles increased by 5% to 6.1 million units. Astra Honda Motor's sales increased by 9% to 3.8 million units, with its market share increasing from 60% to 63%. Astra Honda Motor launched one new model and 13 revamped models during the period.

Astra Otoparts saw 18% higher sales volumes, although net income increased only slightly to Rp 643 billion on lower manufacturing margins.

### *Financial Services*

Net income from the Group's financial services businesses increased by 14% to Rp 3.8 trillion. Excluding the Rp 440 billion gain recorded in the second quarter from the acquisition of a 50% stake in, and granting of Group life insurance distribution rights to, Astra Aviva Life, net income from the financial services businesses increased by 1% to Rp 3.4 trillion. Strong growth across most of the consumer financial services portfolio was largely offset by a decline in contribution from Astra Sedaya Finance, following the sale of an effective 14% interest in the second quarter, and Permata Bank.

The aggregated amount financed through Astra's automotive-focused consumer finance operations grew by 11% to Rp 48 trillion, including balances financed through joint bank financing without recourse. The aggregated amount financed through the heavy equipment-focused finance operations declined by 27% to Rp 2.7 trillion due to a reduction in sales.

Astra Sedaya Finance, the Group's car-focused consumer finance company, recorded net income of Rp 865 billion, an increase of 14%, driven by financing a higher proportion of Astra's new car sales.

Federal International Finance, the Group's motorcycle-focused consumer finance company, reported net income of Rp 958 billion, an increase of 12%, due to higher new and used motorcycle financing.

Astra's 44.6%-held joint venture, Permata Bank, reported net income of Rp 1.2 trillion, a decrease of 6%, due to an increase in funding costs.

Group insurance company, Asuransi Astra Buana, recorded 11% higher net income of Rp 863 billion due to growth in gross written premiums and an increased contribution from investment earnings.

### *Heavy Equipment and Mining*

The Group's net income from its heavy equipment and mining businesses increased by 40% to Rp 2.9 trillion. United Tractors, which is 59.5%-owned, reported a 9% increase in net revenue and a 41% improvement in net income at Rp 4.8 trillion.

In the construction machinery business, net revenue decreased by 3%, reflecting a 10% decline in Komatsu heavy equipment sales to 2,982 units, partly 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 an 11% increase in net revenue as contract coal production increased 15% to 90 million tonnes; meanwhile contract overburden removal decreased 5% to 606 million bank cubic metres.

United Tractors' mining subsidiaries reported an increase in net revenue of 52%, with coal sales 64% higher at 5 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 estimated at 409 million tonnes.

United Tractors is in the process of undertaking a review of the carrying value of its coal mining properties due to ongoing subdued market conditions. If, as a consequence of this review, United Tractors is required to reduce the carrying value of its coal mining properties, then any such reduction will be recorded in the fourth quarter financial statements.

#### *Agribusiness*

Net income from the Group's agribusiness division was Rp 1.5 trillion, an increase of 107%.

Astra Agro Lestari, which is 79.7%-held, reported net income of Rp 1.9 trillion, up 107%. Average crude palm oil prices achieved were 24% higher at Rp 8,474 per kg, although crude palm oil sales decreased by 9% to 1 million tonnes. Astra Agro Lestari's refinery in West Sulawesi sold 144,000 tonnes of olein during the period.

*Infrastructure, Logistics and Others*

Net income from infrastructure, logistics and others fell by 26% to Rp 252 billion.

The 72.5 km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, reported a 6% increase in traffic volume to 32 million vehicles and a 13% increase in average tariffs. Construction continues at the 95%-owned greenfield 40.5 km Kertosono-Mojokerto toll road near Surabaya. Section 1, being 14.7 km, began operation in October 2014 and further stages are expected to be operational 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 3% lower at 30,000, driven by higher used car sales. The benefit was, however, offset by lower margins associated with leases to mining companies. The net income decreased by 33% to Rp 96 billion.

Sales successfully commenced during the third quarter at Anandamaya Residences, the Group's 60%-held luxury residential development project located in Jakarta's Central Business District. The high-end development consists of approximately 500 apartment units, with completion expected in 2018.

*Information Technology*

Net income from information technology grew by 33% to Rp 134 billion.

Astra Graphia, 76.9%-owned, is active in the area of document information and communication technology solutions and is the sole distributor of Fuji Xerox office equipment in Indonesia. It reported net income up 33% to Rp 174 billion, as it benefited from a gain of Rp 42 billion recorded in the second quarter on its disposal of its 51% interest in AGIT Monitise Indonesia.

**Prospects**

The Group's earnings were satisfactory despite being affected by heightened competition in the car market and lower coal prices. We expect the Group's trading performance to remain little changed for the remainder of the year.

Prijono Sugiarto  
President Director  
30th October 2014

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