



Jardine Strategic

Jardine Strategic Holdings Limited
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Press Release

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To: Business Editor

26th February 2015

For immediate release

PT Astra International Tbk 2014 Full 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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26th February 2015

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

PRESS RELEASE

- Net earnings per share down 1% to Rp 474
- Unit sales of cars down by 6% and motorcycles up by 8%
- Non-cash impairment charge recorded in relation to coal mining properties
- Net earnings excluding impairment Rp 20.1 trillion, up 4%
- Strong balance sheet position supports maintaining dividend

“The Group’s 2014 results were mixed, with strong performances from agribusiness and contract mining being offset by a decline in contribution from automotive and a non-cash impairment charge recorded in relation to coal mining properties. While we remain cautious about the immediate outlook given the uncertain external macro environment, competition in the car market and the likelihood of lower coal prices, we note that the Group is well financed and the quality of our businesses provides the basis for excellent prospects over the longer term.”

Prijono Sugiarto
President Director
26th February 2015

Group Results

	Year ended 31st December		
	2014 Rp bn	2013 Rp bn	Change %
Net revenue	201,701	193,880	4
Net income *	19,181	19,417	(1)
	Rp	Rp	
Net earnings per share	474	480	(1)
	As at 31 st December 2014 Rp bn	As at 31 st December 2013 Rp bn	Change %
Shareholders' funds**	95,611	83,938	14
	Rp	Rp	
Net asset value per share**	2,362	2,073	14

* 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 years ended 31st December 2014 and 2013 as well as the financial position as at 31st December have 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 decreased by 1%. Improved results from the Group's agribusiness, contract mining operations and financial services businesses were offset by lower earnings from the automotive businesses, as margins declined in the car sector, alongside an impairment charge in relation to its coal mining properties.

Astra's wholesale car sales were 6% lower, while its wholesale motorcycle sales rose by 8%. The amount financed through the Group's automotive-focused consumer finance operations grew by 13%. Sales of Komatsu units were down 16%. Contract coal production was up 14%, while overburden removal was 5% lower. Crude palm oil sales decreased by 13%, while 255,000 tonnes of olein were sold.

Performance

The Group recorded consolidated net revenue up 4% at Rp 201.7 trillion, primarily due to improved agribusiness and contract mining sales. Net income decreased 1% to Rp 19.2 trillion, reflecting a 39% increase in the contribution from agribusiness, an 11% increase from financial services, and a 10% increase from heavy equipment and mining, offset by a 14% decline from automotive. Excluding the impact of the impairment charge recorded in relation to coal mining properties, the Group would have recorded net income of Rp 20.1 trillion, 4% higher.

The Group's net asset value per share of Rp 2,362 at 31 December 2014 was 14% higher than at the end of 2013.

Overall net debt, excluding the Group's financial services subsidiaries, was Rp 3.3 trillion, a 10% decrease compared to the end of 2013. The Group's financial services subsidiaries had net debt of Rp 45.9 trillion, compared to Rp 42.3 trillion at 2013 year end.

A final dividend of Rp 152 per share (2013: Rp 152 per share) will be proposed at the Annual General Meeting to be held in April 2015. The proposed final dividend together with the interim dividend of Rp 64 per share (2013: Rp 64 per share) will bring the total dividend for the year to Rp 216 per share (2013: Rp 216 per share).

Business Activities

Net income attributable to Astra International's shareholders by business segment for the year is as follows:

	Net Income Attributable to Astra International		
	Year ended 31st December		
	2014 Rp Bn	2013 Rp Bn	Change %
Automotive	8,480	9,829	(14)
Financial Services	4,748	4,273	11
Heavy Equipment and Mining	3,268	2,971	10
Agribusiness	1,995	1,435	39
Infrastructure, Logistics and Others	490	748	(34)
Information Technology	200	161	24
Attributable Net Income	19,181	19,417	(1)

Automotive

Net income from the Group's automotive businesses declined by 14% to Rp 8.5 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 business, 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 decreased by 2% to 1,208,000 units. Astra's car sales fell by 6% to 614,000 units, with its market share decreasing from 53% to 51%. The Group launched 19 new models and 9 revamped models during the year.

The wholesale market for motorcycles increased by 2% to 7.9 million units. Astra Honda Motor's sales increased by 8% to 5.1 million units, with its market share increasing from 61% to 64%. Astra Honda Motor launched 2 new models and 15 revamped models during the year.

Astra Otoparts saw 15% higher sales, although net income decreased to Rp 872 billion on lower manufacturing margins due to the weakening of the rupiah and higher labour costs.

Financial Services

Net income from the Group's financial services businesses increased by 11% to Rp 4.7 trillion. Excluding the Rp 440 billion gain recorded in the second quarter from the acquisition of a 50% stake in Astra Aviva Life, net income from the financial services businesses increased by 1%. 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 13% to Rp 64.6 trillion, including balances financed through joint bank financing without recourse. The aggregated amount financed through the heavy equipment-focused finance operations declined by 30% to Rp 3.5 trillion due to a reduction in sales.

Astra Sedaya Finance, the Group's car-focused consumer finance company, recorded net income of Rp 1.2 trillion, an increase of 15%, 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 1.3 trillion, an increase of 8%, due to higher new and used motorcycle financing.

Astra's 44.6%-held joint venture, Permata Bank, reported net income of Rp 1.6 trillion, a decrease of 8%, due to an increase in funding costs and non performing loans.

Group insurance company, Asuransi Astra Buana, recorded 16% higher net income of Rp 1.0 trillion due to growth in gross written premiums and an increased contribution from investment earnings.

The Group's new life insurance joint venture with Aviva plc, which markets its products and services as "Astra Life powered by Aviva", was officially launched during November 2014.

Heavy Equipment and Mining

The Group's net income from its heavy equipment and mining businesses increased by 10% to Rp 3.3 trillion. United Tractors, which is 59.5%-owned, reported a 4% increase in net revenue and a 11% improvement in net income at Rp 5.4 trillion. Excluding the impact of the Rp 1.5 trillion impairment charge booked in relation to coal mining properties, United Tractors would have recorded a 43% increase in net income.

In the construction machinery business, net revenue decreased by 4%, reflecting a 16% decline in Komatsu heavy equipment sales to 3,513 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 a 6% increase in net revenue as contract coal production increased 14% to 119 million tonnes; meanwhile contract overburden removal decreased 5% to 806 million bank cubic metres.

United Tractors' mining subsidiaries reported an increase in net revenue of 22%, with coal sales 42% higher at 6 million tonnes, although average coal sale prices declined by 10%. United Tractors and its subsidiaries own interests in nine coal mines with combined reserves estimated at 405 million tonnes.

United Tractors has completed a review of the carrying value of its coal mining properties due to the fall in coal prices, and has consequently impaired its coal mining properties at year end. The net impact of the impairment on United Tractor's attributable profit after minorities and taxes is Rp 1.5 trillion. While United Tractors still sees coal mining as an attractive business longer-term, this impairment decision reflects the combination of current weak market conditions and uncertainty over the timing and extent of any recovery.

During the fourth quarter United Tractors announced that it had entered into an agreement to acquire a majority share in listed construction company PT Acset Indonusa Tbk. While this acquisition is not expected to have a material impact on 2015 results, it is consistent with the Group's strategy to expand into new business areas in which market leading businesses underpinned by the Group's management philosophy, can be enhanced by leveraging the Group's value chain.

Agribusiness

Net income from the Group's agribusiness division was Rp 2.0 trillion, an increase of 39%.

Astra Agro Lestari, which is 79.7%-held, reported net income of Rp 2.5 trillion, up 39%. Average crude palm oil prices achieved were 14% higher at Rp 8,282 per kg, although crude palm oil sales decreased by 13% to 1.4 million tonnes in response to the opening of Astra Agro Lestari's refinery in West Sulawesi, which sold 255,000 tonnes of olein during the year.

Infrastructure, Logistics and Others

Net income from infrastructure, logistics and others fell by 34% to Rp 490 billion.

The 72.5 km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, reported a 6% increase in traffic volumes to 43 million vehicles and a 9% increase in average tariffs. Construction continues at the wholly 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 timely 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 7% lower at 29,000, 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 22% to Rp 157 billion.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, experienced marginally higher sales volume of 159 million cubic metres.

Anandamaya Residences, the Group's 60%-held luxury residential development project located in Jakarta's Central Business District, successfully commenced sales during the third quarter, achieving market leading pricing and strong buyer interest. In addition the Group commenced construction of a grade-A office tower adjacent to Anandamaya Residences. Completion of both developments is expected in 2018.

Information Technology

Net income from information technology grew by 24% to Rp 200 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 24% to Rp 260 billion, benefiting from a gain of Rp 44 billion recorded on its disposal of its 51% interest in AGIT Monitise Indonesia.

Prospects

The Group's 2014 results were mixed, with strong performances from agribusiness and contract mining being offset by a decline in contribution from automotive and a non-cash impairment charge recorded in relation to coal mining properties. While we remain cautious about the immediate outlook for 2015 given the uncertain external macro environment, competition in the car market and the likelihood of lower coal prices, we note that the Group is well financed and the quality of our businesses provides the basis for excellent prospects over the longer term.

Prijono Sugiarto
President Director
26th February 2015

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