



Jardine Strategic

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Press Release

www.jardines.com

To: Business Editor

29th October 2015

For immediate release

PT Astra International Tbk 2015 Third 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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29th October 2015

PRESS RELEASE

**PT ASTRA INTERNATIONAL TBK
2015 THIRD QUARTER FINANCIAL STATEMENTS**

Highlights

- Consolidated net revenue 8% lower at Rp 138.2 trillion
- Net earnings per share down 17% to Rp 296
- Unit car sales down 20% and motorcycles down 14%
- Lower contribution from all segments except heavy equipment and mining

“The challenging trading conditions facing the Group are set to continue and we expect our trading performance to remain little changed for the remainder of the year.”

Prijono Sugiarto

President Director

29th October 2015

Group Results

	Nine months ended 30th September		
	2015 Rp bn	2014* Rp bn	Change %
Net revenue	138,177	150,582	(8)
Net income **	11,997	14,499	(17)
	Rp	Rp	
Net earnings per share	296	358	(17)
	As at 30th September 2015 Rp bn	As at 31st December 2014* Rp bn	Change %
Shareholders' funds***	100,313	95,494	5
	Rp	Rp	
Net asset value per share***	2,478	2,359	5

* Restated due to implementation of PSAK 24 (Revised 2013) – Employee Benefits

**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 nine months ended 30th September 2015 and 2014 as well as the financial position as at 30th September 2015 have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited.

PRESIDENT DIRECTOR'S STATEMENT

Overview

The Group faced reduced domestic consumption, competition in the car sector, lower commodity prices and a deterioration in corporate credit quality in the first nine months of the year, resulting in reduced contributions from all segments except heavy equipment and mining.

Performance

The Group's consolidated net revenue for the first nine months was 8% lower at Rp 138.2 trillion, primarily due to lower sales within automotive, heavy equipment and mining, and agribusiness. Net income was down 17% at Rp 12.0 trillion.

The Group's net asset value per share of Rp 2,478 at 30th September 2015 was 5% higher than at the end of 2014.

Overall net debt, excluding the Group's financial services subsidiaries, was Rp 283 billion at 30th September 2015, compared to net debt of Rp 3.3 trillion at the end of 2014, due to strong working capital inflows. The Group's financial services subsidiaries had net debt of Rp 47.5 trillion, compared to Rp 45.9 trillion at the end of 2014.

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		
	Nine months ended 30th September		
	2015 Rp bn	2014* Rp bn	Change %
Automotive	5,329	5,903	(10)
Financial Services	2,996	3,806	(21)
Heavy Equipment and Mining	3,342	2,902	15
Agribusiness	116	1,501	(92)
Infrastructure, Logistics and Others	91	253	(64)
Information Technology	123	134	(8)
Attributable Net Income	11,997	14,499	(17)

* Restated due to implementation of PSAK 24 (Revised 2013) – Employee Benefits

Automotive

Net income from the Group's automotive businesses declined by 10% to Rp 5.3 trillion.

Overall automotive demand weakened during the period due to a general slow-down in the economy. In addition, discounting in the car market caused by manufacturing overcapacity continued to have a negative impact on earnings. The Group's component businesses also made a lower contribution due to lower volumes and a weakening of the Rupiah exchange rate.

The wholesale market for cars fell by 18% to 765,000 units. Astra's car sales were 20% lower at 382,000 units, with its market share decreasing from 51% to 50% during the period. The Group launched 14 new models and 8 revamped models during the period.

The wholesale market for motorcycles decreased by 20% to 4.8 million units. Astra Honda Motor's sales were reduced by 14% to 3.3 million units, resulting in its market share increasing from 63% to 68%. Astra Honda Motor launched 9 new models and 6 revamped models during the period.

Astra Otoparts, the Group's component business, saw net income fall by 72% to Rp 179 billion, due to lower volumes and reduced manufacturing margins brought about by a weaker rupiah.

Financial Services

Net income from the Group's financial services businesses decreased 21% to Rp 3 trillion. Excluding the one-time gain from the acquisition of a 50% stake in Astra Aviva Life in May 2014, net income from the Group's financial services businesses declined by 11%. Increased earnings at Federal International Finance and Toyota Astra Financial Services were offset by a decline in the contributions from its other financial services interests.

The consumer finance businesses saw a decrease in the aggregate amount financed by 4% to Rp 46 trillion, including balances financed through joint bank financing without recourse. The car-focused Astra Sedaya Finance reported net income 17% lower at Rp 722 billion, while motorcycle-focused Federal International Finance's net income was up 11% at Rp 1.1 trillion, benefiting from improved market share and product diversification.

The aggregate amount financed through the Group's heavy equipment-focused finance operations increased by 21% to Rp 3.2 trillion.

Astra's 44.6%-held joint venture, Permata Bank, reported net income 24% lower at Rp 938 billion, with an increase in loan loss provisions.

Group insurance company, Asuransi Astra Buana, recorded lower earnings following a decrease in the 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", acquired 14,700 individual life customers and more than 150,000 participants of its corporate employee benefits business during the period.

Heavy Equipment and Mining

The Group's net income from its heavy equipment and mining businesses increased by 15% to Rp 3.3 trillion.

United Tractors, which is 59.5%-owned, reported a 6% decrease in net revenue, although net income rose by 17% to Rp 5.6 trillion with the benefit of a weaker Rupiah on its income and monetary assets denominated in US dollars.

In the construction machinery business, net revenue declined 10% as Komatsu heavy equipment sales declined by 40% to 1,799 units, although this was partly offset by higher parts revenue. The contract mining operations of subsidiary, Pamapersada Nusantara, reported a 7% decrease in net revenue as contract coal production declined 4% to 81 million tonnes, with contract overburden removal down 3% at 593 million bank cubic metres.

United Tractors' mining subsidiaries reported coal sales 13% lower at 3.9 million tonnes, with net revenue decreasing by 13%. United Tractors and its subsidiaries own interests in nine coal mines with combined reserves estimated at 402 million tonnes. United Tractors is currently reviewing its mining production plans and the carrying value of its coal mining properties in the light of the ongoing subdued market conditions and uncertainty over the timing and extent of any recovery. If an impairment provision is required, it is expected that this will be booked in the fourth quarter.

United Tractors' newly acquired general contractor, Acset Indonusa, increased its new contracts during the period to Rp 3.1 trillion, from Rp 616 billion in 2014.

Agribusiness

Net income from the Group's agribusiness division was Rp 116 billion, a decrease of 92%.

Astra Agro Lestari, which is 79.7%-held, reported net income of Rp 145 billion, down 92%. Average crude palm oil prices achieved were 15% lower at Rp 7,221/kg compared with the same period last year, and crude palm oil sales were 18% lower at 826,000 tonnes, while olein sales increased by 108% to 300,000 tonnes. The benefit of a weaker Rupiah on its US dollar denominated and linked income was more than offset by the impact on its US dollar monetary liabilities.

Infrastructure, Logistics and Others

Net income from infrastructure, logistics and others fell by 64% to Rp 91 billion, mainly due to initial losses arising on the commencement of operations of section 1 of the Kertosono-Mojokerto toll road.

The 72.5 km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, reported an 8% increase in traffic volumes to 34 million vehicles. Construction continues at the wholly-owned greenfield 40.5 km Kertosono-Mojokerto toll road near Surabaya. Section 1, which is 14.7 km long, began operation in October 2014 and further stages are expected to be operational during 2016, subject to the timely completion of land acquisitions. In July 2015, Astratel acquired a 25% interest in the 73 km Semarang- Solo toll road, of which sections 1 and 2, being 23 km, are operational. 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 197.2 km of toll roads.

Serasi Autoraya's revenue declined by 5% and net income decreased by 50% to Rp 48 billion, with a decline in the number of vehicles under contract at its TRAC car rental business to 26,000 units.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, experienced marginally lower sales volume of 117 million cubic metres.

Anandamaya Residences, the Group's 60%-held luxury residential development project located in Jakarta's Central Business District, continues to achieve market leading pricing and strong buyer interest with unit sales completed being close to 90% out of total 509 units.

Information Technology

Net income from information technology decreased by 8% to Rp 123 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 160 billion, down 8%. Excluding the one-time gain of sale of a 51% stake in AGIT Monitise in June 2014, net income from information technology increased by 17% on higher revenues.

Prospects

The challenging trading conditions facing the Group are set to continue and we expect our trading performance to remain little changed for the remainder of the year.

Prijono Sugiarto
President Director
29th October 2015

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