



Jardine Strategic

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Press Release

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To: Business Editor

31st October 2016

For immediate release

PT Astra International Tbk 2016 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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PRESS RELEASE

31st October 2016
PT ASTRA INTERNATIONAL TBK
2016 THIRD QUARTER FINANCIAL STATEMENTS

Highlights

- Net earnings per share down 6% at Rp279
- Car unit sales up 10% and motorcycle unit sales down 3%
- Lower revenue in heavy equipment and mining contracting
- Significant increase in loan-loss provisions at Permata Bank

“The Group’s full-year result is expected to reflect continued good performances from its automotive businesses together with some improvement in agribusiness and a modest recovery in the heavy equipment and mining operations, although concerns remain over the level of loan-loss provisions at Permata Bank.”

Priyono Sugiarto
 President Director

Group Results

	9 months ended 30th September		
	2016 Rp bn	2015 Rp bn	Change %
Net revenue	132,294	138,177	(4)
Net income*	11,277	11,997	(6)
	Rp	Rp	
Net earnings per share	279	296	(6)
	As at 30th September 2016 Rp bn	As at 31st December 2015 Rp bn	Change %
Shareholders' funds**	105,706	102,043	4
	Rp	Rp	
Net asset value per share**	2,611	2,521	4

* 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 the nine months ended 30th September 2016 and 2015 as well as the financial position as at 30th September 2016 have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited. The financial position as at 31st December 2015 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 experienced lower revenues within its heavy equipment and mining, and agribusiness activities, while the revenue contribution from Astra's Toyota sales operations was also reduced following the introduction of a two-tiered distribution model at the beginning of the year.

The Group's net income for the period fell, despite higher automotive profits that benefited from new model launches, as weak coal prices adversely affected its heavy equipment and mining contracting operations, and a significant increase in loan-loss provisions at Permata Bank led to a lower contribution from financial services.

Performance

The Group's consolidated net revenue for the nine months ended 30th September 2016 was down 4% at Rp132.3 trillion, while net income was 6% lower at Rp11.3 trillion.

The net asset value per share of Rp2,611 at 30th September 2016 was 4% higher than at the end of 2015.

Net cash, excluding the Group's financial services subsidiaries, was Rp5.5 trillion at 30th September 2016, compared to net cash of Rp1.0 trillion at the end of 2015. The Group's financial services subsidiaries had net debt of Rp41.9 trillion, compared to Rp44.6 trillion at the end of 2015.

Business Activities

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

	Net Income Attributable to Astra International		
	9 months ended 30th September		
	2016 Rp bn	2015 Rp bn	Change %
Automotive	5,995	5,329	12
Financial Services	2,074	2,996	(31)
Heavy Equipment and Mining	1,893	3,342	(43)
Agribusiness	913	116	687
Infrastructure and Logistics	213	86	148
Information Technology	105	123	(15)
Property	84	5	1,580
Attributable Net Income	11,277	11,997	(6)

Automotive

Net income from the Group's automotive businesses increased by 12% to Rp6.0 trillion for the nine months largely due to new model introductions, which also had a positive effect on margins.

The wholesale market for cars increased by 2% to 783,000 units. Astra's car sales were 10% higher at 422,000 units, resulting in an increase in market share from 50% to 54%. The Group launched ten new models and seven revamped models during the period.

The wholesale market for motorcycles decreased by 10% to 4.4 million units. Astra Honda Motor's domestic sales were 3% lower at 3.2 million units. Its market share, however, increased from 68% to 73%, supported by the launch of six new models and eight revamped models during the period.

Net income at Astra Otoparts, the Group's component business, increased 59% to Rp284 billion with higher revenue from its OEM, after market and export segments.

Financial Services

Net income from the Group's financial services businesses declined 31% to Rp2.1 trillion. Higher earnings at Federal International Finance and Toyota Astra Financial Services were more than offset by a decline in the contribution from the Group's other financial services businesses, mainly Permata Bank which recorded a net loss following a significant increase in loan-loss provisions.

The consumer finance businesses saw an 18% increase in the aggregate amount financed, which rose to Rp53.7 trillion, including balances financed through joint bank financing without recourse. The car-focused Astra Sedaya Finance reported net income 10% lower at Rp653 billion due to lower revenue mainly caused by a reduction in used car financing, whereas Toyota Astra Financial Services recorded net income 11% higher at Rp251 billion. Motorcycle-focused Federal International Finance's net income was up 21% at Rp1.3 trillion, benefiting from an improved market share and loan product diversification.

The aggregate amount financed through the Group's heavy equipment-focused finance operations increased by 4% to Rp3.3 trillion. Surya Artha Nusantara Finance, which specialises in small and medium heavy equipment financing, reported net income 43% lower at Rp60 billion.

Astra's 44.6%-held joint venture, Permata Bank, reported a net loss of Rp1.2 trillion during the first nine months compared with net income of Rp938 billion in the same period last year. The decline was due to a significant increase in loan-loss provisions as non-performing loans rose to 4.9% from 2.7% at the end of 2015. In order to strengthen its capital base, the bank completed a rights issue in June which raised Rp5.5 trillion.

Net Income at Asuransi Astra Buana, the Group's general insurance company, was slightly lower at Rp697 billion, primarily due to reduced underwriting income.

During the first nine months, the Group's life insurance joint venture with Aviva plc, Astra Aviva Life, acquired more than 97,000 individual life customers and more than 121,000 participants for its corporate employee benefits programmes, compared with 28,500 and 186,000, respectively, in the whole of 2015.

Heavy Equipment and Mining

The Group's net income from its heavy equipment and mining businesses decreased by 43% to Rp1.9 trillion.

United Tractors, which is 59.5%-owned, reported net income 44% lower at Rp3.1 trillion, due to lower heavy equipment and mining contracting revenue, caused largely by low coal prices. There was also a negative impact of the stronger rupiah on translation of its US dollar monetary assets, whereas the previous year saw a positive impact on translation. In its construction machinery business, Komatsu heavy equipment sales fell by 12% to 1,588 units, while parts and service revenues also declined. The mining contracting operations of Pamapersada Nusantara recorded a 3% reduction in coal production to 79 million tonnes and 12% lower overburden removal at 524 million bank cubic metres. United Tractors' mining subsidiaries reported 46% higher coal sales at 6 million tonnes.

General contractor Acset Indonusa, a 50.1% subsidiary of United Tractors, reported net income of Rp40 billion in the first nine months, 210% higher than the same period in 2015. Acset secured new contracts worth Rp2.5 trillion during the period, compared with Rp3.1 trillion in the whole of 2015. To support its business growth, Acset completed a rights issue in June raising Rp600 billion.

Agribusiness

Net income from the Group's agribusiness division increased significantly to Rp913 billion from Rp116 billion.

Astra Agro Lestari, which is 79.7%-owned, reported net income of Rp1.1 trillion, up from Rp145 billion, due to the benefit of the stronger rupiah on the translation of its US dollar monetary liabilities. Excluding the foreign exchange translation gain, the results were flat, with higher crude palm oil selling prices achieved offsetting the impact of a lower sales volume. Crude palm oil sales were 12% lower at 730,000 tonnes, while average crude palm oil prices were 5% higher at Rp7,588/kg compared with the prior year. Olein sales were 23% lower at 231,000 tonnes. To strengthen its balance sheet, Astra Agro Lestari completed a Rp4.0 trillion rights issue in June.

Infrastructure and Logistics

Net income from the Group's infrastructure and logistics businesses increased by 148% to Rp213 billion, mainly due to higher earnings from its toll roads, used vehicles and logistics businesses.

The 72.5km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, achieved a 3% increase in traffic volumes to 35 million vehicles. Construction continues at the wholly-owned 40.5km Jombang-Mojokerto toll road, where 14.7km is already operational. 22.8km of the 72.6km Semarang-Solo toll road, in which the Group has a 25% interest is now operational. Taken together with its 40% interest in the 11.2km Kunciran-Serpong toll road and 25% interest in the 30.0km Serpong-Balaraja toll road, both of which are greenfield, the Group has an interest in 226.8km of toll roads.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, experienced a 3% improvement in sales volume to 120 million cubic metres.

Serasi Autoraya's net income increased by 43% to Rp68 billion. Higher net margins in used vehicle sales and logistics businesses outweighed the effect of a 6% decline in contracted vehicles in its car leasing and rental business.

Information Technology

Net income from the Group's information technology division decreased by 15% to Rp105 billion.

Astra Graphia, which is 76.9%-owned, reported a 15% decline in net income to Rp137 billion, despite an increase in revenue mainly due to lower net margins.

Property

Net income from the Group's new property division was Rp84 billion, significantly higher than the Rp5 billion achieved in the same period in 2015.

Construction continues to progress at the 92%-sold Anandamaya Residences, the Group's 60%-owned luxury residential development project located in Jakarta's Central Business District which, together with the Group's adjacent grade A office tower, Menara Astra, are on schedule for completion in 2018.

Prospects

The Group's full-year result is expected to reflect continued good performances from its automotive businesses together with some improvement in agribusiness and a modest recovery in the heavy equipment and mining operations, although concerns remain over the level of loan-loss provisions at Permata Bank.

Prijono Sugiarto
President Director
31st October 2016

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