



Jardine Strategic

Jardine Strategic Holdings Limited
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Press Release

www.jardines.com

To: Business Editor

27th July 2017

For immediate release

PT Astra International Tbk 2017 First Half 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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27th July 2017
PT ASTRA INTERNATIONAL TBK
2017 FIRST HALF FINANCIAL STATEMENTS

PRESS RELEASE

Highlights

- Net earnings per share up 31% at Rp231
- Increased market share for both cars and motorcycles
- Positive contribution from Permata Bank
- Strong recovery in coal prices benefited heavy equipment and mining contracting volumes
- Agribusiness improved with higher crude palm oil prices and production

“Most of the Group’s businesses performed well in the first half of 2017. For the remainder of this year, the Group is expected to continue to benefit from stable coal prices, although results may be tempered by increasing competition in the car market and soft demand in the motorcycle market.”

Prijono Sugiarto
 President Director

Group Results

	6 months ended 30th June		
	2017 Rp bn	2016 Rp bn	Change %
Net revenue	98,031	88,208	11
Net income*	9,357	7,116	31
	Rp	Rp	
Net earnings per share	231	176	31
	As at 30th June 2017 Rp bn	As at 31st December 2016 Rp bn	Change %
Shareholders' funds**	116,627	111,951	4
	Rp	Rp	
Net asset value per share**	2,881	2,765	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 six months ended 30th June 2017 and 2016 as well as the financial position as at 30th June 2017 have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited. The financial position as at 31st December 2016 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

During the first half of 2017, the overall wholesale market for cars grew, although affected by discount pressure arising from increasing competition. The market for motorcycles declined. The Group's automotive businesses achieved improved market shares for both cars and motorcycles. The results from Group's financial services businesses improved with a return to profit by Permata Bank. There were good performances from the Group's heavy equipment and mining, as well as its agribusiness activities, as they benefited from higher commodity prices.

Performance

The Group's consolidated net revenue for the period increased by 11% to Rp98.0 trillion, with higher revenues achieved in most of its business segments.

The Group's net income was also higher at Rp9.4 trillion, an increase of 31% from the comparable period last year.

The net asset value per share was Rp2,881 at 30th June 2017, 4% higher than at the end of 2016.

Net cash, excluding the Group's financial services subsidiaries, was Rp2.6 trillion, significantly lower compared with net cash of Rp6.2 trillion at the end of 2016, mainly due to toll road, power plant and property investments made during the first half of 2017. The Group's financial services subsidiaries had net debt of Rp49.1 trillion, compared with Rp47.7 trillion at the end of 2016.

Business Activities

Net income attributable to shareholders by business segment was as follows:

	Net Income Attributable to Astra International		
	6 months ended 30th June		
	2017 Rp bn	2016 Rp bn	Change %
Automotive	4,200	3,864	9
Financial Services	2,035	1,253	62
Heavy Equipment and Mining	2,057	1,121	83
Agribusiness	832	631	32
Infrastructure and Logistics	110	139	(21)
Information Technology	55	73	(25)
Property	68	35	94
Attributable Net Income	9,357	7,116	31

Automotive

Net income from the Group's automotive division increased by 9% to Rp4.2 trillion. This was largely due to higher car sales, which continued to benefit from new model introductions including those in the second half of 2016, although price competition increased.

The wholesale market for cars increased marginally to 534,000 units. Astra's car sales were 9% higher at 298,000 units, resulting in an increase in market share from 51% to 56%. The Group launched one new model and four revamped models during the period.

The wholesale market for motorcycles decreased by 9% to 2.7 million units. Astra Honda Motor's domestic sales fell 7% to 2.0 million units, resulting in its market share rising from 73% to 74%. The Group launched six new models and eleven revamped models during the period.

Net income of Astra Otoparts, the Group's component business, increased 30% to Rp198 billion, mainly due to higher earnings contributions from its joint venture and associate companies.

Financial Services

Net income from the Group's financial services division increased 62% to Rp2.0 trillion, with improved contributions from most of its financial services businesses.

The Group's consumer finance businesses saw an 8% increase in the aggregate amount financed, including amounts financed through joint bank financing without recourse, to Rp38.6 trillion. Car-focused Astra Sedaya Finance reported a 6% increase in net income at Rp455 billion, while Toyota Astra Financial Services recorded a stable profit of Rp155 billion. Motorcycle-focused Federal International Finance's net income was 15% higher at Rp930 billion, benefiting from Honda's improved market share and loan product diversification.

The aggregate amount financed through the Group's heavy equipment-focused finance operations increased by 68% to Rp3.2 trillion. Net income at Surya Artha Nusantara Finance, which specialises in small and medium size heavy equipment financing, was lower at Rp29 billion.

Astra's 44.6%-held Permata Bank reported a net income of Rp621 billion compared with a net loss of Rp836 billion in the same period in 2016. The Bank's gross non-performing loan ratio declined from 8.8% at the end of 2016 to 4.7% at 30th June 2017, while its net non-performing loan ratio also declined from 2.2% to 1.8%. The improved performance of Permata Bank was mainly driven by an improvement in asset quality and a planned sale of a portfolio of its non-performing loans. In June 2017, the Bank completed its Rp3.0 trillion rights issue, which was fully subscribed.

Asuransi Astra Buana, the Group's general insurance company, reported net income 24% higher at Rp503 billion, primarily due to higher underwriting and investment income.

During the period, the Group's life insurance joint venture, Astra Aviva Life, acquired some 123,000 new individual life insureds and 224,000 new participants for its corporate employee

benefits programmes, bringing the respective totals to 304,000 and 652,000 people being insured at the end of the first half of 2017.

Heavy Equipment and Mining

The net income contribution from the Group's heavy equipment and mining division increased by 83% to Rp2.1 trillion.

United Tractors, which is 59.5%-owned, reported net income 85% higher at Rp3.4 trillion, mainly due to improved performance of its construction machinery, mining contracting and mining operations, all of which benefited from improved coal prices.

In its construction machinery business, Komatsu heavy equipment sales were up 69% at 1,751 units, while parts and service revenues were also higher. The mining contracting operations of Pamapersada Nusantara recorded a 4% increase in coal production at 52 million tonnes, while overburden removal was 6% higher at 360 million bank cubic metres. United Tractors' mining subsidiaries reported 18% lower coal sales at 3.6 million tonnes.

General contractor Acset Indonusa, a 50.1% subsidiary of United Tractors, reported net income up 95% at Rp64 billion, with Rp7.1 trillion in new contracts secured during the period, compared with Rp2.4 trillion secured in the first half of 2016.

The Group's 25%-owned Bhumi Jati Power, which is constructing two 1,000 MW power plants in Central Java, is scheduled to start commercial operations in 2021. This build, operate and transfer project is expected to cost approximately US\$4.2 billion.

Suprabari Mapanindo Mineral, an 80%-owned coking coal company in Central Kalimantan is expected to start production by the end of 2017.

Agribusiness

Net income from the Group's agribusiness division increased by 32% to Rp832 billion.

Astra Agro Lestari, which is 79.7%-owned, reported net income of Rp1.0 trillion, up from Rp792 billion in the first half of 2016, due to improved revenue from higher crude palm oil prices and increased production. Average crude palm oil prices achieved were 16% higher at Rp8,536/kg, while sales of crude palm oil and its derivatives were 10% higher at 833,000 tonnes compared to the same period last year.

Infrastructure and Logistics

Net income from the Group's infrastructure and logistics division decreased by 21% to Rp110 billion, mainly due to initial losses arising from the operational commencement of the Cikopo-Palimanan toll road and lower earnings from its water utility business.

The 72km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, saw traffic volumes increase by 4% to 24 million vehicles. Construction continues at the wholly-owned 41km Jombang-Mojokerto toll road, where 20km is already operational.

In May 2017, the Group acquired the remaining 60% interest in PT Baskhara Utama Sedaya, which owns 45% of the fully operational 116km Cikopo-Palimanan toll road. The Group acquired its initial 40% interest in January 2017. The total acquisition cost of the Group's ownership of PT Baskhara Utama Sedaya is approximately Rp5 trillion.

In May 2017, the Group also increased its stake in the 73km Semarang-Solo toll road from 25% to 40%. Along with its 40% stake in the 11km Kunciran-Serpong toll road and a 25% stake in the 40km Serpong-Balaraja toll road, both of which are greenfield, the Group's total interest in toll roads amounts to 353km.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, experienced a 3% lower sales volume at 78 million cubic metres.

Serasi Autoraya's net income increased by 82% to Rp80 billion, due to higher net margins in its car leasing and rental business, despite a 5% decline in vehicles under contract.

Information Technology

Net income from the Group's information technology division was 25% lower at Rp55 billion.

Astra Graphia, which is 76.9%-owned, reported a 25% decrease in net income to Rp72 billion, mainly due to lower revenue from its IT solutions business.

Property

Net income from the Group's property division at Rp68 billion was 94% higher, mainly due to higher recognised development earnings on its Anandamaya Residences, project which is scheduled for completion in 2018.

Prospects

Most of the Group's businesses performed well in the first half of 2017. For the remainder of this year, the Group is expected to continue to benefit from stable coal prices, although concerns remain over increasing competition in its car business and soft demand in the motorcycle market.

Prijono Sugiarto
President Director
27th July 2017

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