



Jardine Strategic

Jardine Strategic Holdings Limited
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Press Release

www.jardines.com

To: Business Editor

31st October 2017

For immediate release

PT Astra International Tbk 2017 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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31st October 2017
PT ASTRA INTERNATIONAL TBK
2017 THIRD QUARTER FINANCIAL STATEMENTS

PRESS RELEASE

Highlights

- Net earnings per share up 26% at Rp350
- Increased market share for both cars and motorcycles
- Positive contribution from Permata Bank
- Heavy equipment and mining contracting volumes benefit from strong coal prices
- Agribusiness improved with higher crude palm oil prices and sales volume

“The outlook for the rest of the year is expected to remain positive as the results will continue to benefit from the increased commodity prices, although there are concerns over greater competition in the car market as well as increased provisioning in certain of the Group’s financing activities.”

Prijono Sugiarto
 President Director

Group Results

	9 months ended 30th September		
	2017 Rp bn	2016 Rp bn	Change %
Net revenue	150,225	132,294	14
Net income*	14,184	11,277	26
	Rp	Rp	
Net earnings per share	350	279	26
	As at 30th September 2017 Rp bn	As at 31st December 2016 Rp bn	Change %
Shareholders' funds**	119,265	111,951	7
	Rp	Rp	
Net asset value per share**	2,946	2,765	7

* 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 2017 and 2016 as well as the financial position as at 30th September 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

The Group's automotive businesses achieved improved market shares for both cars and motorcycles during the period under review, but experienced discounting pressure in an increasingly competitive car market. The results from the Group's financial services businesses improved with a return to profit by Permata Bank, while increased commodity prices led to strong performances from heavy equipment and mining, as well as its agribusiness activities.

Performance

The Group's consolidated net revenue for the period increased by 14% to Rp150.2 trillion, with higher revenues achieved in most of its business segments.

The Group's net income was higher at Rp14.2 trillion, an increase of 26% over the comparable period last year.

The net asset value per share was Rp2,946 at 30th September 2017, 7% higher than at the end of 2016.

Net cash, excluding the Group's financial services subsidiaries, was Rp1.2 trillion at the end of September 2017. This was significantly lower compared with net cash of Rp6.2 trillion at the end of 2016 mainly due to investments in toll roads, power plants and property during the period. The Group's financial services subsidiaries had net debt of Rp46.9 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		
	9 months ended 30th September		
	2017 Rp bn	2016 Rp bn	Change %
Automotive	6,579	5,995	10
Financial Services	2,948	2,074	42
Heavy Equipment and Mining	3,400	1,893	80
Agribusiness	1,121	913	23
Infrastructure and Logistics	(66)	213	(131)
Information Technology	105	105	0
Property	97	84	15
Attributable Net Income	14,184	11,277	26

Automotive

Net income from the Group's automotive division increased by 10% to Rp6.6 trillion, primarily due to higher car and motorcycle sales, although there was increasing discounting pressure in the car market.

The wholesale market for cars rose by 3% to 804,000 units. Astra's car sales were 5% higher at 444,000 units, resulting in its market share improving from 54% to 55%. The Group launched nine new models and ten revamped models during the period.

The wholesale market for motorcycles was flat at 4.3 million units. Astra Honda Motor's domestic sales were, however, 2% higher at 3.2 million units, resulting in its market share improving from 73% to 75%. The Group launched seven new models and fourteen revamped models during the period.

Net income of Astra Otoparts, the Group's component business, increased 30% to Rp370 billion, reflecting higher earnings contributions from its joint venture and associate companies driven by increased sales volumes.

Financial Services

Net income from the Group's financial services division increased 42% to Rp2.9 trillion, largely due to a return to profit at Permata Bank.

The Group's consumer finance businesses saw a 6% increase in the aggregate amount financed, including amounts financed through joint bank financing without recourse, to Rp56.7 trillion. Car-focused Astra Sedaya Finance reported a 9% increase in net income at Rp711 billion. Toyota Astra Financial Services recorded a 33% decrease in net income to Rp169 billion following increased loan loss provisions. Motorcycle-focused Federal International Finance's net income was 14% higher at Rp1.5 trillion, as it benefited from Honda's improved market share as well as loan product diversification.

The aggregate amount financed through the Group's heavy equipment-focused finance operations increased by 56% to Rp5.2 trillion. Net income at Surya Artha Nusantara Finance, which specialises in small and medium size heavy equipment financing, was 40% lower at Rp36 billion, mainly due to larger loan loss provisions.

Permata Bank, in which Astra's holds a 44.6% interest, reported a net income of Rp708 billion for the period, compared with a net loss of Rp1.2 trillion in 2016. The Bank's gross non-performing loan ratio improved from 8.8% at the end of 2016 to 4.7% at 30th September 2017, while its net non-performing loan ratio improved from 2.2% to 1.8%. Permata Bank's return to profitability was mainly driven by an improvement in asset quality and the previously announced sale of a portfolio of its non-performing loans.

Asuransi Astra Buana, the Group's general insurance company achieved higher investment income and reported net income up 7% at Rp749 billion.

During the period, the Group's life insurance joint venture, Astra Aviva Life, acquired more than 185,000 new individual life customers and 290,000 new participants for its corporate employee benefits programmes, bringing the respective totals to 341,000 and 657,000 people being insured at the end of September 2017.

Heavy Equipment and Mining

The net income contribution from the Group's heavy equipment and mining division increased by 80% to Rp3.4 trillion.

United Tractors, which is 59.5%-owned, reported net income 80% higher at Rp5.6 trillion. The increase was due to improved performances in its construction machinery, mining contracting and mining operations, all of which benefited from strong coal prices.

In its construction machinery business, Komatsu heavy equipment sales were up 73% at 2,744 units, while parts and service revenues were also higher. The mining contracting operations of Pamapersada Nusantara recorded a 5% increase in coal production at 82 million tonnes, while overburden removal was up 12% at 585 million bank cubic metres. United Tractors' mining subsidiaries reported coal sales down 12% at 5 million tonnes, due to lower volumes in its coal trading business.

General contractor Acset Indonusa, a 50.1% subsidiary of United Tractors, reported net income up 178% at Rp111 billion, with Rp7.2 trillion in new contracts secured, compared with Rp2.5 trillion secured in the same period last year.

Agribusiness

Net income from the Group's agribusiness division increased by 23% to Rp1.1 trillion.

Astra Agro Lestari, which is 79.7%-owned, reported net income of Rp1.4 trillion, up from Rp1.1 trillion in 2016, benefiting from higher crude palm oil prices and sales volumes. Average crude palm oil prices achieved were 10% higher at Rp 8,309/kg, while sales of crude palm oil and its derivatives were 15% higher at 1.26 million tonnes compared with the same period last year.

Infrastructure and Logistics

The Group's infrastructure and logistics division reported a net loss of Rp66 billion, compared with a net profit Rp213 billion in the same period in the prior year. This was mainly due to initial losses on the newly opened Cikopo-Palimanan toll road, in which the Group acquired a 45% interest earlier in the year, and a loss on the disposal of the Group's 49% interest in PAM Lyonnaise Jaya, a water concession with five years left to run. The 72.5km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, saw traffic volumes increase by 6% to 37 million vehicles.

Serasi Autoraya's net income increased by 99% to Rp135 billion, due to higher net margins in its car leasing and rental, as well as logistics businesses, despite a 6% decline in vehicles under contract.

Information Technology

Net income from the Group's information technology division was flat at Rp105 billion.

Astra Graphia, which is 76.9%-owned, reported net income of Rp136 billion, mainly coming from increased revenue from its document solutions and office service businesses, partly offset by lower revenue from InformationTechnology Solutions.

Property

Net income from the Group's property division was 15% higher at Rp97 billion, mainly due to higher recognised development earnings on its Anandamaya Residences project which is scheduled for completion in 2018.

In September 2017, 50%-owned Astra Land Indonesia entered into an agreement to increase its shareholding in Astra Modern Land, which is developing a 67-hectare site in East Jakarta, from 50% to 67%.

Prospects

The outlook for the rest of the year is expected to remain positive as the results will continue to benefit from the increased commodity prices, although there are concerns over greater competition in the car market as well as increased provisioning in certain of the Group's financing activities.

Prijono Sugiarto
President Director
31st October 2017

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