



**Jardine Strategic**

Jardine Strategic Holdings Limited  
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## **Press Release**

[www.jardines.com](http://www.jardines.com)

To: Business Editor

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For immediate release

### **PT Astra International Tbk 2016 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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Incorporated in Bermuda with limited liability

## PRESS RELEASE

**28th July 2016**  
**PT ASTRA INTERNATIONAL TBK**  
**2016 FIRST HALF FINANCIAL STATEMENTS**

### Highlights

- Net earnings per share down 12% at Rp176
- Car unit sales up 4% and motorcycle unit sales up 1%
- Lower volumes in heavy equipment and mining
- Significant increase in loan-loss provisions at Permata Bank

“The first half challenges of soft commodity prices, weak heavy equipment demand, declines in mining contracting volumes and increases in non-performing loans at Permata Bank are likely to persist for the remainder of the year. Nevertheless, steady performances are expected from the consumer finance and automotive businesses.”

Prijono Sugiarto  
 President Director

### Group Results

	6 months ended 30th June		
	2016 Rp bn	2015 Rp bn	Change %
Net revenue	88,208	92,505	(5)
Net income*	7,116	8,052	(12)
	<b>Rp</b>	<b>Rp</b>	
Net earnings per share	176	199	(12)
	As at 30th June 2016 Rp bn	As at 31st December 2015 Rp bn	Change %
Shareholders' funds**	104,251	102,043	2
	<b>Rp</b>	<b>Rp</b>	
Net asset value per share**	2,575	2,521	2

\* 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 2016 and 2015 as well as the financial position as at 30th June 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 commodity prices adversely affected its heavy equipment, mining contracting and agribusiness 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 first half was down 5% at Rp88.2 trillion, while net income was 12% lower at Rp7.1 trillion.

Net asset value per share of Rp2,575 at 30th June 2016 was 2% higher than at the end of 2015.

Net cash, excluding the Group's financial services subsidiaries, was Rp2.0 trillion at 30th June 2016, compared to net cash of Rp1.0 trillion at the end of 2015. The Group's financial services subsidiaries had net debt of Rp44.2 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		
	6 months ended 30th June		
	2016 Rp bn	2015 Rp bn	Change %
Automotive	3,864	3,422	13
Financial Services	1,253	2,085	(40)
Heavy Equipment and Mining	1,121	2,048	(45)
Agribusiness	631	354	78
Infrastructure, Logistics and Others	174	68	156
Information Technology	73	75	(3)
Attributable Net Income	7,116	8,052	(12)

### Automotive

Net income from the Group's automotive businesses increased by 13% to Rp3.9 trillion. The Group's overall automotive sales improved slightly during the period largely due to new model introductions, which also had a positive effect on margins.

The wholesale market for cars increased by 1% to 532,000 units. Astra's car sales were 4% higher at 273,000 units, resulting in an increase in market share from 50% to 51%. The Group launched six new models and five revamped models during the period.

The wholesale market for motorcycles decreased by 7% to 3.0 million units. Astra Honda Motor's domestic sales were 1% higher at 2.2 million units, resulting in its market share increasing from 67% to 73%. Astra Honda Motor launched three new models and seven revamped models during the period.

Net income at Astra Otoparts, the Group's component business, was little changed at Rp152 billion with increased revenue from its OEM, after market, and export segments largely offset by higher operating costs and foreign exchange translation loss in its associated companies.

### ***Financial Services***

Net income from the Group's financial services businesses declined 40% to Rp1.3 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, particularly Permata Bank which recorded a loss following a significant increase in loan-loss provisions.

The consumer finance businesses saw a 13% increase in the aggregate amount financed, which rose to Rp35.7 trillion, including balances financed through joint bank financing without recourse. The car-focused Astra Sedaya Finance reported net income 15% lower at Rp430 billion, whereas Toyota Astra Financial Services recorded net income 8% higher at Rp155 billion. Motorcycle-focused Federal International Finance's net income was up 22% at Rp811 billion, benefiting from an improved market share and product diversification.

The aggregate amount financed through the Group's heavy equipment-focused finance operations decreased by 11% to Rp1.9 trillion. Surya Artha Nusantara Finance, which specialises in small and medium heavy equipment financing, reported net income 46% lower at Rp43 billion.

Astra's 44.6%-held joint venture, Permata Bank, reported a net loss of Rp836 billion compared with net income of Rp837 billion in the first half of 2015. The decline was due to a significant increase in loan-loss provisions as non-performing loans rose to 4.6% 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.

The Group's general insurance company, Asuransi Astra Buana, recorded net income 17% lower at Rp407 billion, primarily due to reduced investment earnings.

During the first six months the Group's life insurance joint venture with Aviva plc, Astra Aviva Life, acquired more than 50,000 individual life customers and more than 100,000 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 45% to Rp1.1 trillion.

United Tractors, which is 59.5%-owned, reported net income 46% lower at Rp1.9 trillion, which reflected lower business volumes and the impact from the stronger rupiah on translation of its US dollar monetary assets. In its construction machinery business, net revenue declined 6% as Komatsu heavy equipment sales fell by 25% to 1,036 units, while parts and service revenues also declined. The contract mining operations of Pamapersada Nusantara recorded a 22% decrease in net revenue. Contract coal production declined 4% to 50 million tonnes and contract overburden removal was down 9% at 339 million bank cubic metres. United Tractors' mining subsidiaries reported 58% higher coal sales at 4.5 million tonnes.

General contractor Acset Indonusa, a 50.1% subsidiary of United Tractors, reported a significant increase in net income from Rp5 billion to Rp33 billion. It secured new contracts worth Rp2.4 trillion in the first half, compared with Rp3.1 trillion in 2015 as a whole. 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 78% to Rp631 billion.

Astra Agro Lestari, which is 79.7%-owned, reported net income up 78% to Rp792 billion, despite lower sales volume and crude palm oil prices, due to the benefit of a stronger rupiah on translation of its US dollar monetary liabilities. Crude palm oil sales were 9% lower at 502,000 tonnes, while average crude palm oil prices achieved were 4% lower at Rp7,342/kg compared with the prior year. Olein sales were 5% lower at 184,000 tonnes. Astra Agro Lestari completed a Rp4.0 trillion rights issue in June to strengthen its balance sheet.

### ***Infrastructure, Logistics and Others***

Net income from infrastructure, logistics and others increased by 156% to Rp174 billion, mainly due to higher earnings from its toll roads, used vehicles and logistics businesses, and higher profit recognition at the Anandamaya Residences development.

The 72.5km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, reported a 4% increase in traffic volumes to 23 million vehicles. Construction continues at the wholly-owned 40.5 km Jombang-Mojokerto (previously named Kertosono-Mojokerto) toll road near Surabaya. The 14.7km section 1 began operation in October 2014, and has reported an increase in traffic volumes to 0.3 million vehicles. Further stages are expected to be operational during 2016 and 2017, subject to the timely completion of land acquisitions. The 72.6km Semarang-Solo toll road, in which Astratel acquired a 25% interest in July 2015, now has operational the 22.8km of sections 1 and 2. In April 2016, a consortium in which Astratel has a 25% interest, was awarded the concession right for the greenfield 30.0km Serpong-Balaraja toll road. Taken together with Astratel's 40% interest in the greenfield 11.2km Kunciran-Serpong toll road on Jakarta's outer ring road, the Group has an interest in 226.8km of toll roads.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, experienced a 4% improvement in sales volume to 80 million cubic metres.

Serasi Autoraya's revenue increased by 4% and net income increased by 63% to Rp44 billion. Higher used vehicle sales and logistics volumes outweighed the effect of an 8% decline in contracted vehicles in its car leasing and rental business.

Construction of the 91%-sold Anandamaya Residences, the Group's 60%-owned luxury residential development project located in Jakarta's Central Business District, is on schedule for completion in 2018 together with the Group's adjacent grade A office tower, Menara Astra.

### ***Information Technology***

Net income from information technology decreased by 3% to Rp73 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 a 3% decline in net income to Rp95 billion, despite increased revenue.

**Prospects**

The first half challenges of soft commodity prices, weak heavy equipment demand, declines in mining contracting volumes and increases in non-performing loans at Permata Bank are likely to persist for the remainder of the year. Nevertheless, steady performances are expected from the consumer finance and automotive businesses.

Prijono Sugiarto  
President Director  
28th July 2016

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