ASTRA international

satu Indonesia
Semangat Astra Terpadu Untuk Indonesia

PRESS RELEASE

30th July 2015

PT ASTRA INTERNATIONAL TBK
2015 FIRST HALF FINANCIAL STATEMENTS
Highlights

- Net earnings per share down 18% to Rp 199
- Unit car sales down 21% and motorcycles down 19%
- Lower contribution from all segments except Heavy Equipment and Mining

"Astra's earnings in the first half were lower in the face of reduced domestic consumption, competition in the car sector and lower commodity prices in Indonesia. While the timing of a recovery is uncertain, our businesses are well positioned once momentum is regained, and remain soundly underpinned by the strength of our balance sheets."

Prijono Sugiarto
President Director
30th July 2015

Group Results

	Period ended 30th June		
	2015 Rp bn	2014* Rp bn	*Change* *%*
Net revenue	92,505	101,528	(9)
Net income **	8,052	9,820	(18)
	Rp	Rp	
Net earnings per share	199	243	(18)
	As at 30th June 2015 Rp bn	As at 31st December 2014* Rp bn	*Change* *%*
Shareholders' funds***	98,181	95,494	3
	Rp	Rp	
Net asset value per share**	2,425	2,359	3

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

PRESIDENT DIRECTOR'S STATEMENT

Overview

The Group’s net income declined with reduced contributions, particularly from the automotive operations and agribusiness.

Performance

The Group’s consolidated net revenue for the first half of Rp 92.6 trillion was 9% lower, primarily due to reduced automotive, agribusiness and heavy equipment sales. Net income decreased 18% to Rp 8.1 trillion, reflecting a decline in most segments.

The Group’s net asset value per share of Rp 2,425 at 30th June 2015 was 3% higher than at the end of 2014.

Overall net debt, excluding the Group’s financial services subsidiaries, was Rp 2.4 trillion, compared to net debt of Rp 3.3 trillion at the end of 2014. The Group’s financial services subsidiaries had net debt of Rp 47.3 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 first half of 2015 and for the first half of last year is as follows:

- more -

	Net Income Attributable to Astra International		
	Period ended 30th June		
	2015 Rp Bn	2014* Rp Bn	Change %
Automotive	3,422	4,009	(15)
Financial Services	2,085	2,479	(16)
Heavy Equipment and Mining	2,048	1,986	3
Agribusiness	354	1,091	(68)
Infrastructure, Logistics and Others	68	171	(60)
Information Technology	75	84	(11)
Attributable Net Income	**8,052**	**9,820**	**(18)**

** Restated due to implementation of new PSAK 24 – Employee Benefits*

Automotive

Net income from the Group's automotive businesses declined by 15% to Rp 3.4 trillion.

Overall automotive demand weakened during the first half due to a general slow-down in the economy and the lack of meaningful new product launches. 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 a weakening of the rupiah exchange rate.

The wholesale market for cars fell by 18% to 525,000 units. Astra's car sales fell by 21% to 263,000 units, with its market share decreasing from 52% to 50% during the first half. The Group launched nine new models and five revamped models during the period.

The wholesale market for motorcycles decreased by 24% to 3.2 million units. Astra Honda Motor's sales were reduced by 19% to 2.1 million units, with its market share increasing to 67%. Astra Honda Motor launched eight new models and three revamped models during the first half.

Astra Otoparts, the Group's component manufacturing business, saw net income fall by 67% to Rp 152 billion, due to lower volumes and a weaker rupiah, resulting in reduced manufacturing margins.

Financial Services

Net income from the Group's financial services businesses decreased 16% to Rp 2.1 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 rose by 2%. Earnings growth across most of the financial services portfolio, including Asuransi Astra Buana, Permata Bank and Federal International Finance, was offset by a decline in contribution from SAN Finance, Komatsu Astra Finance and Astra Sedaya Finance.

The consumer finance sector saw increased activity, with Astra's automotive-focused operations increasing their market shares. The aggregate amount financed grew by 2% to Rp 31.7 trillion, including balances financed through joint bank financing without recourse. The car-focused Astra Sedaya Finance reported net income down 8% at Rp 506 billion, while net income at motorcycle-focused Federal International Finance was up 8% at Rp 666 billion.

The amount financed through the heavy equipment-focused finance operations increased by 8% to Rp 2.1 trillion due to the sales mix.

Astra's 44.6%-held joint venture, Permata Bank, reported net income up 4% at Rp 837 billion on modest loan growth and an improved funding environment.

Group insurance company, Asuransi Astra Buana, recorded higher net income due to an increase 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", performed in line with expectations during the first half, acquiring 8,700 individual life customers and more than 98,000 new participants under the employee benefit/corporate business.

Heavy Equipment and Mining

The Group's net income from its heavy equipment and mining businesses increased by 3% to Rp 2.0 trillion.

United Tractors, which is 59.5%-owned, reported a 9% decrease in net revenue although net income rose by 4% to Rp 3.4 trillion with the benefit of a weaker rupiah on its US dollar denominated income.

In the construction machinery business, net revenue declined 14%, reflecting a 38% reduction in Komatsu heavy equipment sales to 1,375 units, which was partly offset by higher parts and services revenue.

The contract mining operations of subsidiary, Pamapersada Nusantara, reported a 9% decrease in net revenue as contract coal production declined 8% to 52 million tonnes, with contract overburden removal down 8% at 372 million bank cubic metres on lower stripping ratios.

United Tractors' mining subsidiaries reported coal sales 18% lower at 2.8 million tonnes, which led to an 18% reduction in net revenue. United Tractors and its subsidiaries own interests in nine coal mines with combined reserves estimated at 403 million tonnes.

During the second quarter, United Tractors acquired a further 10.1% in listed construction group Acset Indonusa, raising its shareholding to 50.1%. Acset Indonusa is active in a range of construction activities including foundations, civil works and mechanical engineering services. The earnings contribution during the first half was negligible.

Agribusiness

Net income from the Group's agribusiness division was Rp 354 billion, a decrease of 68%.

Astra Agro Lestari, which is 79.7%-held, reported net income of Rp 444 billion, down 68%. Average crude palm oil prices achieved were 12% lower compared with the same period last year at Rp 7,642/kg, and crude palm oil sales were 18% lower at 551,000 tonnes, while olein sales increased by 109% to 194,000 tonnes.

Infrastructure, Logistics and Others

Net income from infrastructure, logistics and others fell by 60% to Rp 68 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 22 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 operations in October 2014 and further stages are expected to be operational during 2016, subject to the timely completion of land acquisitions. 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 124.2 km of toll roads.

In July 2015 Astratel acquired a 25% interest in the 73 km Semarang – Solo toll road. Sections 1 and 2, being 23 km, are operational, with sections 3 to 5 expected to be completed by 2017.

Serasi Autoraya's revenue declined due to a 9% decrease in the number of vehicles under contract at its TRAC car rental business to 27,000 units. Net income decreased by 63% to Rp 27 billion.

PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, experienced 1% lower sales volume of 77 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 sales being close to 90% complete out of the total 509 units.

Information Technology

Net income from information technology decreased by 11% to Rp 75 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 97 billion, down 11%.

Prospects

Astra's earnings in the first half were lower in the face of reduced domestic consumption, competition in the car sector and lower commodity prices in Indonesia. While the timing of a recovery is uncertain, our businesses are well positioned once momentum is regained, and remain soundly underpinned by the strength of our balance sheets.

Prijono Sugiarto
President Director
30th July 2015

- end -

For further information, please contact:
PT Astra International Tbk
Pongki Pamungkas, Chief of Corporate Communication
Tel: + 62 – 21 – 6530 4956