

AKRA 9M 2012 Records Steady Growth in Sales Revenue and Net Profit Sales Revenue up 13.4% to Rp 16.3 Trillion; Net Profit up 14.5% to Rp 481.7 Billion

JAKARTA, October 30, 2012 - PT AKR Corporindo, Tbk (AKRA or the Company), Indonesia's bulk Logistics and Infrastructure Company reported Sales revenue growth of 13.4% sales revenue performance during the 9 months ended 30th September 2012 to Rp. 16,304.6 billion compared to Rp. 14,383.0 billion during the same period last year. The Company's net profit after tax attributable to the Equity holders of the Parent entity increased 14.5% to Rp. 481.7 billion compared to core net profit from continuing operations of Rp. 420.5 billion during the 9 months ended September 30, 2011.

AKRA reported improvement in Gross profit margins during the 9 months ended 30th September 2012 of 5.6% and Gross Profit increased 16.2% YOY Rp. 908.5 billion from Rp. 781.9 billion during same period in the previous year. Operating profit jumped 23.9% to Rp. 608.2 billion for the 9 months ended September 30, 2012 compared to Rp. 491.0 billion during the same period of the previous year.

AKRA which is the leading distributor of Petroleum products with operations across Indonesia, reported the higher petroleum sales of Rp. 13,080.9 billion during the 9 months ended 30th September 2012 which is 13.7% higher than Rp. 11,500.7 billion during the same period of the year 2011. AKRA supplies Petroleum products to Mining, bunker, power, industrial and fishery sector and is also appointed by BPH Migas to distribute subsidised fuel outside Jawa. Petroleum distribution contributed 80.2% to the Company's consolidated revenues while Basic Chemical distribution contributed 13.6% to consolidated revenues during the 9 months ended 30th September 2012.

Total comprehensive income for the period ended 30th September 2012 is Rp 590.8 billion including the exchange difference due translation of financial statements. Comprehensive income for the 9 months ended 30th September 2011 of Rp 2,146.4 billion includes Rp 1,689.9 billion from the sale of discontinued operations during the year 2011.

Effective 1 January 2012, AKR has implemented the Indonesian statement of Financial Accounting Standards (PSAK) No 10 (Revised 2010) " The Effects of Changes in Foreign Exchange rates" which became effective as of January 1,2012 and is applied retrospectively. The Company determined that its functional currency is US Dollar but decided that the presentation currency for the consolidated financial statements is Indonesian Rupiah for consistency with the previous presentation currency.

Table 1. Highlight of P& L for the 9 months ended September 30 2012/2011

Description (in IDR billion)	9M12	9M11
Revenues	16,304.6	14,383.0
Gross Profit	908.5	781.9
Operating Income	608.2	491.0
Net Profit	481.7	420.5

Table 2. Highlight Balance Sheet for the 9 months ended September 30 2012/2011

Description (in IDR billion)	30-Sep-12	31-Dec-11
Assets	9,791.3	8,417.9
Liabilities	5,598.2	4,746.1
Equity	4,193.1	3,671.8

Segment wise Revenue

Trading and distribution revenue grew 14.2 % YOY

The Company reported 14.2% growth in revenue from Trading and distribution of Petroleum and basic chemicals during 9M 2012 of Rp 15,294.7 billion, compared to Rp 13,394.5 billion during the same period in previous year.

- Petroleum distribution revenue increased 13.7% YoY to Rp 13,080.9 billion during 9M 2012 from Rp 11,500.7 billion during the previous year,
- Basic chemicals distribution business registered growth of 16.9% to Rp 2,213.8 billion during 9M 2012 compared to Rp 1,893.9 billion during the same period in the previous year,
- Manufacturing segment recorded a margin increase in sales revenue of Rp 571.6 billion during 9M 2012 compared to Rp 563.9 billion during the previous year.
- Third party Logistics and coal mining and distribution business recorded revenue of Rp 438.3 billion during 9M 2012 compared to Rp 424.5 billion during the 9 months ended 30th September 2011.

Commenting on the results, Mr Haryanto Adikoesoemo, President Director said, " Petroleum distribution business continues to record steady growth, with increased demand for High Speed diesel in Eastern Indonesia. The Company seeks to increase its presence by investing in new infrastructure and supply chain networks to provide efficient and value adding services to mining, industrial customers throughout the vast Indonesian Archipelago"

" Basic Chemical business also recorded strong growth buoyed by the increasing demand in consumer, textile and chemical sectors across Indonesia" said Mr Haryanto.

Strong Financial Position

The Company continues to report a strong financial position as at September 30, 2012, with the key figures being

• Cash and cash equivalents	Rp 793.4 billion
• Shareholder equity	Rp 4,193.1 billion
• Total Assets	Rp 9,791.3 billion
• Total Liabilities	Rp 5,598.2 billion

AKRA continues to manage its working capital position well with adequate controls in the Receivable, Inventory and Trade payables.

The Company has commenced investing its Cash and Cash equivalents in Projected related to ports and infrastructure. Net gearing as at 30th September is 0.1x of its equity and the continue to have adequate leverage in funding its future operations.

Table 3. Key Ratios

Ratios	Unit	9M12	9M11
Profitability			
Gross margin	%	5.6%	5.4%
Operating margin	%	3.7%	3.4%
Net margin	%	3.0%	2.9%
Balance Sheet Ratios *			
		30-Sep-12	31-Dec-11
Return On Asset *	%	6.6%	7.4%
Return On Equity *	%	16.0%	17.8%
Total asset turnover	x	2.2	2.2
Receivable period	days	45	42
Inventory period	days	29	25
Payable period	days	69	68
Cash conversion cycle	days	5	-1
Leverage			
Current ratio	x	1.2	1.4
Asset / equity	x	2.4	2.3
Net gearing	x	0.1	-0.1

* Annualized

Pefindo assigns Corporate Rating AA – (Double A minus) on AKRA

Indonesia's leading rating agency on October 15th 2012, has assigned its "idAA-" rating for AKRA with a Stable outlook . Commenting on the rating Pefindo said, " The rating reflects the stable demand of fuel in Indonesia, the Company's strong volume growth of fuel business, and extensive logistic infrastructure network."

Prospects and Strategy

AKRA's petroleum and basic chemical distribution business caters to industrial customers in Indonesia supplying fuel and raw material requirements which are experiencing consistent growth driven by the economic growth in Indonesia.

The Company is constantly innovating and creating strategies to expand the market in petroleum business. One of the strategy is to build more new storage tanks in existing terminal and new sites to support sales volume growth. The company is establishing and building additional capacities in distribution hubs to reduce logistic costs. In addition , The company is also providing value added services to customers in order to increase sales to segmented sectors and to win market by providing Vendor Managed Inventory (VMI) to major customers and has developed IT Systems to improve internal controls.

The company is investing in new infrastructure facilities in new areas of Eastern Indonesia particularly to support new areas such as Non-coal mining, Fisheries and is investing in jetties, vessels and self propelled oil barges for shallow river transport.

Basic chemicals is expected to grow at a consistent pace with the demand for basic chemicals in sectors such as textiles, construction, chemicals and other consuming industries continuing to

increase. The Company is also investing in additional chemical storage facilities to cater to the increasing demand.

The Company's network of Petroleum and Chemical terminals now covers 19 locations in major Sea Ports and Inland location. Leveraging on its infrastructure, continues to supply Petroleum and basic Chemicals and provides logistics facilities in Indonesia.

Table 4. Financial Results for the 9 months ended September 30, 2012 (In Rp billion)

STATEMENTS OF INCOME (IDR billion)	9M12	9M11	Increase
Sales and Revenues	16,304.6	14,383.0	13.4%
Cost of Sales and Revenues	-15,396.0	-13,601.1	
Gross Profit	908.5	781.9	16.2%
General and administrative	-243.3	-222.1	
Selling expenses	-62.4	-68.8	
Gain from sales of property, plant and equipment, net	-0.1	0.7	
Foreign exchange gain (loss), net	10.5	12.7	
Miscellaneous, net	-5.1	-13.4	
Profit from Operations	608.2	491.0	23.9%
Finance income	20.9	56.4	
Finance costs	-39.5	-27.7	
Share in loss of associates	-0.9	-6.0	
Profit Before Tax	588.7	513.6	14.6%
Tax expense, net	-129.1	-100.6	
Profit for the period from continuing operations	459.5	413.0	11.3%
Profit for the period from discontinued operations	0.0	1,689.9	
Non-controlling interests	22.1	7.6	
Profit for the period attributable to equity holders of the parent	481.7	2,110.5	
Core profit for the period attributable to equity holders of the parent	481.7	420.5	14.5%
Gross margin	5.6%	5.4%	
Operating margin	3.7%	3.4%	
Net margin	3.0%	2.9%	

Table 5. Balance Sheet as at September 30, 2012 compared to December 31, 2011

STATEMENTS OF FINANCIAL POSITION (IDR billion)	Sep-12	Dec-11
Current assets	5,771.7	5,226.9
Cash and cash equivalents	793.4	1,329.8
Trade receivables	2,681.1	2,145.1
Other receivables	54.5	43.9
Inventories	1,616.4	1,237.7
Prepaid expenses and taxes	529.4	310.1
Other current assets	97.0	160.3
Non-current asset	4,019.6	3,190.9
Property, plant and equipment	3,036.6	2,581.7
Other non-current assets	982.9	609.2
TOTAL ASSETS	9,791.3	8,417.9
Current liabilities	4,701.6	3,860.0
Trade payables	3,858.4	3,318.5
Other payables	71.8	107.7
Advances from customers	17.5	5.8
Accrued expenses	115.8	139.5
Bank loans	551.3	190.9
Other short-term liabilities	86.7	97.6
Non-current liabilities	896.7	886.1
Long-term bank loans	807.4	808.0
Other long-term liabilities	89.3	78.0
Equity attributable to the equity holders of the parent	4,007.3	3,479.1
Non-controlling interests	185.8	192.6
TOTAL LIABILITIES AND EQUITY	9,791.3	8,417.9

Haryanto Adikoesoemo
President Director

For further information, please contact:

V Suresh
Director
Telp +62 21 531 1177

Heri Akhyar
Head of Investor Relations
Telp: +62 (21) 531 1110
Email: heri.akhyar@akr.co.id



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