

AKR NEWS RELEASE



For Immediate Release

AKRA 9M14 Net Income Rises 10.2% to Rp 578.7 billion Significant Improvement in Operating Margin

JAKARTA – PT AKR Corporindo Tbk (Bloomberg: AKRA IJ) announced its consolidated financial statements for the nine months ended on September 30, 2014 with consolidated profit for the period attributable to equity holders of the parent entity of Rp 578.7 billion, up 10.2% from Rp 525.1 billion in the same period last year.

**Table 1. Highlights of Consolidated Statements of Income
(Rp billion)**

Statements of Income	9M14	9M13	Growth
Sales and Revenues	16,989.1	16,171.0	5.1%
Cost of Sales and Revenues	-15,757.9	-15,203.4	
Gross Profit	1,231.2	967.6	27.2%
Gross margin	7.2%	6.0%	
Operating expenses	-468.5	-382.1	
Operating Profit	762.7	585.5	30.3%
Operating margin	4.5%	3.6%	
Finance income	42.6	49.3	
Finance costs	-106.0	-41.4	
Share in income of associates	7.7	2.2	
Profit before tax	707.1	595.6	18.7%
Tax	-145.2	-94.6	
Profit for the period	561.9	501.0	12.2%
Non-controlling interests	16.8	24.1	
Profit for the period attributable to equity holders of the parent entity	578.7	525.1	10.2%
Net margin	3.4%	3.2%	

Sales and revenues for the 9 months ended September 30, 2014 is Rp 16,989.1 billion, increasing by 5.1% from Rp 16,171.0 billion during the same period last year. Significant growth was recorded in gross profit and operating profit. Gross profit improved by 27.2% YOY to be Rp 1,231.2 billion, while operating profit improved by 30.3% YOY to be Rp 762.7 billion.

The Company reported improvement of gross margin to 7.2% from 6.0% last year. Operating margin increased to 4.5% from 3.6% last year. The 10.2% growth in profit improved the Company's net margin to 3.4%, up from 3.2% last year.

October 28, 2014

AKRA IJ / AKRA JK

Market Cap (Rp tn)	19.26
Outstanding shares (mn)	3,913.6
Major Shareholders:	
* PT Arthakencana Rayatama	58.73%
* Public	41.27%

FINANCIAL HIGHLIGHTS

	9M14	2013	2012
Sales (Rp bn)	16,989	22,338	21,674
Net income (Rp bn)	579	648	649
EPS (Rp)	148.53	167.35	168.91
ROE	15.1%	13.6%	16.1%

SHARE PRICE PERFORMANCE



INVESTOR RELATIONS

SURESH VEMBU
+62 21 5311177
suresh.vembu@akr.co.id
www.akr.co.id

SALES AND REVENUES

Petroleum sales rose by 6.0% during nine months ended September 30, 2014 at Rp 13,542.9 billion. Sales from basic chemicals segment recorded 3.0% growth from Rp 2,255.8 billion to Rp 2,324.1 billion. Around 79% of the Company's consolidated sales and revenues were contributed by petroleum distribution business, 14% by basic chemicals trading and distribution and the remaining 7% by other business segments.

Table 2. Sales and Revenues Breakdown by Segment (Rp billion)

Business Segment	9M14	9M13	Growth
Petroleum	13,542.9	12,775.5	6.0%
Basic Chemicals	2,324.1	2,255.8	3.0%
Others	1,122.1	1,139.7	-1.5%
Total	16,989.1	16,171.0	5.1%

FINANCIAL POSITION

Table 3. Highlights of Financial Position (Rp billion)

Financial Position	30-Sep-14	31-Dec-13	30-Sep-13
Current Assets			
Cash and cash equivalents	736.4	820.1	1,238.9
Trade receivables	5,110.5	4,265.3	3,781.5
Inventories	1,417.8	1,823.2	1,738.5
Other current assets	713.6	814.7	858.2
Total Current Assets	7,978.3	7,723.3	7,617.1
Non-Current Assets			
Property, plant and equipment	4,286.0	4,226.7	4,158.2
Industrial estate land inventory under development	1,962.9	1,434.9	1,109.7
Other non-current assets	1,530.2	1,248.2	1,136.7
Total Non-current Assets	7,779.1	6,909.8	6,404.6
TOTAL ASSETS	15,757.4	14,633.1	14,021.7

Liabilities			
Trade payables	3,798.0	3,631.1	4,243.0
Bank loans and others	3,889.9	3,657.2	2,225.3
Bond payables	1,488.5	1,488.7	1,490.2
Other liabilities	896.8	493.0	685.3
Total Liabilities	10,073.2	9,270.0	8,643.8
Equity			
Equity attributable to equity holders of the parent entity	5,111.4	4,773.1	4,793.0
Non-controlling interests	572.8	590.1	584.9
Total Equity	5,684.2	5,363.2	5,377.9
TOTAL LIABILITIES AND EQUITY	15,757.4	14,633.1	14,021.7

FINANCIAL RATIOS

Table 4. Financial Ratios

Ratios	Unit	9M14	2013	9M13
Profitability				
Gross margin	%	7.2	6.1	6.0
Operating margin	%	4.5	3.4	3.6
Net margin	%	3.4	2.9	3.2
Balance Sheet Ratios *				
Return On Asset	%	4.9	4.4	5.0
Return On Equity	%	15.1	13.6	14.6
Total asset turnover	x	1.4	1.5	1.5
Receivable period	days	82	70	64
Inventory period	days	25	32	31
Payable period	days	66	63	76
Leverage				
Current ratio	x	1.1	1.2	1.2
Asset / equity	x	2.8	2.7	2.6
Net gearing	x	0.9	0.9	0.5

* annualized

PEFINDO REAFFIRMED **idAA-** RATINGS FOR AKR AND ITS BOND

PEFINDO has reaffirmed its **idAA-** ratings for the Company and its bond. The outlook of the corporate rating is **stable**. The ratings reflect the stable demand of fuel in Indonesia, the Company's stable volume growth of fuel business in the long-term and its extensive logistic infrastructure network.

"AKR continues to focus on improving the profitability of its business and improve the operating margin. This strategy has been well-executed despite the difficult operating condition in distribution of petroleum products to mining sectors. We see better growth opportunities in the coming quarter with many of the issues related to mining being resolved and expected improvement in Indonesian economic conditions. The recent ratings affirmed by PEFINDO, along with the Company's strong balance sheet and healthy ratios, presented stable outlook for the Company with potential growth from its existing business and ongoing projects," said President Director Mr. Haryanto Adikoesoemo, commenting on the financial results.

The full financial statements can be downloaded from the Company's website www.akr.co.id.

Haryanto Adikoesoemo
President Director

About PT AKR Corporindo Tbk

PT AKR Corporindo Tbk (the Company) was formally established in Surabaya in 1977 and was listed on the Indonesian Stock Exchange in 1994. The Company is Indonesia's leading integrated supply chain solutions provider and largest private sector distributor of petroleum and basic chemicals. The Company is also the first national private company assigned by the Government of Indonesia to distribute subsidized petroleum in Indonesia. The Company is a renowned provider of logistics and infrastructure in Indonesia with areas of operations encompassing Indonesia and China. Through a number of subsidiaries it governs, the Company also operates in logistic services, manufacturing and coal mining and trading.

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