

AKR NEWS RELEASE



For Immediate Release

AKRA Net Profits Surge 25% to Rp 810 billion in 2014

JAKARTA – PT AKR Corporindo Tbk (Bloomberg: AKRA IJ) one of Indonesia's leading provider of logistics and supply chain solutions for bulk chemicals and Petroleum distribution reported net profit attributable to the equity holders of the Parent entity of Rp 810 billion for the full year 2014, up 25% from Rp 648 billion reported during the year 2013.

The audited financial statements of the company for the year 2014 filed with Indonesia Stock Exchange today, reported consolidated revenues of Rp 22.468 billion slightly higher than Rp 22.338 billion reported during the previous year. Gross profit of the company significantly improved by 27% YoY to Rp 1,732 billion in 2014 compared to Rp 1,368 billion in 2013 and gross margin rose to 7.7% in 2014 higher than 6.1% in 2013. Likewise, operating margin increased to 4.7% in 2014 from 3.4% in 2013.

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

(In Billion IDR)	2014	2013	Growth
Sales and Revenues	22.468	22.338	
Cost of Sales and Revenues	(20.736)	(20.970)	
Gross Profit	1.732	1.368	27%
Gross margin (%)	7,7%	6,1%	
Operating Profit	1.063	768	39%
Operating margin (%)	4,7%	3,4%	
Finance Income and Costs	(69)	(34)	
Profit before tax	993	733	36%
Tax expense, net	(203)	(117)	
Profit for the period prior to minority interest	791	616	28%
Non-controlling interests	(20)	(33)	
Profit attributable to equity holders of the parent entity	810	648	25%
Net margin (%)	3,6%	2,9%	

In line with the profit growth, Earnings per share ("EPS") grew by 24.5% from Rp 166.4 per share in 2013 to Rp 207.2 per share in 2014.

March 19, 2015

AKRA IJ / AKRA JK

Market Cap (Rp billion)	19,666
Outstanding shares (million)	3,913.6
Major Shareholders:	
* PT Arthakencana Rayatama	58.83%
* Public	41.17%

FINANCIAL HIGHLIGHTS

	2014	2013
Sales (Rp billion)	22,468	22,338
EBITDA (Rp billion)	1,370	1,020
Net income (Rp billion)	810	648
EPS (Rp)	207.2	166.4
ROE	15.9%	14.7%

SHARE PRICE PERFORMANCE



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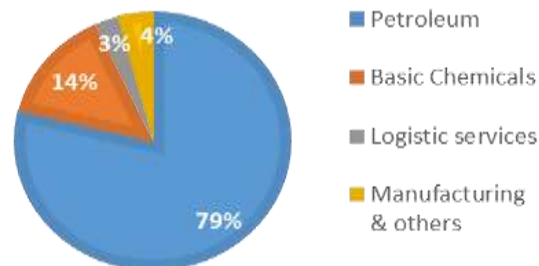
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SALES AND REVENUES

Petroleum distribution business accounted for 79% of consolidated revenues while 14% of the revenues during 2014 was contributed by basic chemicals and remaining 7% from logistics and manufacturing.

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

Segment (In Billion IDR)	2014	2013
Petroleum	17.714	17.671
Basic Chemicals	3.206	3.084
Logistics	641	615
Manufacturing & others	907	968
TOTAL REVENUE	22.468	22.338



Commenting on the full year financial results, President Director Mr Haryanto Adikoesoemo said "We are grateful that amid dynamic economic climate, AKRA still managed to grow and deliver strong financial results evidenced by 25% growth in net income. Our strategy is to maximise profits while maintaining margins by effective cost controls to meet our earnings target".

"AKRA continues to invest and expand its tank terminals, retail petrol outlets and other infrastructure to support the distribution of petroleum and raw materials. The ongoing development of our Java Integrated Industrial Port and Estate in Gresik will further enable the company to achieve its long term growth. The commissioning of first stage of the port and establishment of a new joint venture, which will explore setting up of power plants in the industrial estate, will further enable us to offer logistics and energy solutions to our industrial tenants," said Mr Haryanto.

FINANCIAL POSITION

The company continues to have a strong balance sheet as at 31 December 2014 with adequate liquidity and low leverage. The ongoing investments in JIPE and other projects are being carried out in a phased manner without the need to significantly leverage the balance sheet.

During the year the Company reported significant positive operating cash flows, while the working capital management improved through reduced inventories and lower short term loan. Industrial estate land inventory under development of Rp 2,183 billion represents the land currently being developed for Java Integrated Industrial and Port Estate ("JIPE") project.

Table 3. Highlights of Financial Position (Rp billion)

(Billion IDR)	2014	2013
<i>Current Assets</i>		
Cash and cash equivalents	897	820
Trade receivables	4.351	4.352
Inventories	935	1.823
Other current assets	538	728
Total Current Assets	6.720	7.723
<i>Non-Current Assets</i>		
Property, plant and equipment	4.390	4.227
Industrial estate land inventory under development	2.183	1.435
Other non-current assets	1.499	1.248
Total Non-current Assets	8.072	6.910
TOTAL ASSETS	14.792	14.633

<u>Liabilities</u>		
Trade payables	3.982	3.631
Short term bank loan & others	1.239	2.152
Current maturities of long-term bank loans	373	446
Other current liabilities	590	364
Total current liabilities	6.184	6.593
Long-term bank loans and others	1.024	1.059
Bond payables	1.491	1.489
Other long term liabilities	132	129
Total non current Liabilities	2.647	2.677
Total liabilities	8.831	9.270
<u>Equity</u>		
Equity attributable to equity holders of the parent entity	5.391	4.773
Non-controlling interests	571	590
Total Equity	5.961	5.363
TOTAL LIABILITIES AND EQUITY	14.792	14.633

Assets

- Current ratio of the company continues be healthy. Inventory of petroleum and basic chemicals reduced resulting in lower current assets as at 31 December 2014
- The industrial estate land inventory under development as at 31 December 2014 has increased to Rp 2,183 billion from Rp 1,435 billion at 31 December 2013 and this represents over 1,000 ha of land already acquired at JIPE in Gresik for the ongoing development of integrated industrial and port estates.
- As at 31 December 2014, total assets of the Company is Rp 14,792 bilion slightly higher than Rp 14,633 billion in 2013.

Liabilities

- The total liabilities of the Company declined to Rp 8,831 billion as at 31 December 2014 compared to Rp 9,270 billion at 31 December 2013,
- Net gearing ratio declining to 0.6 at 31 December 2014 from 0.9 at 31 December 2013.
- Short term bank loan of the company declined by over 40% to Rp 1.239 trillion as at 31 December 2014 from Rp 2.152 trillion at the end of 2013.

Equity

- Equity attributable to shareholders of the company has increased by 13% to Rp 5,391 billion at the end of 2014 from Rp 4,773 billion at 31 December 2013.
- Return on Equity ("ROE") of the company has improved to 15.9% in 2014 from 14.7% in 2013 while Return on assets increased to 5.5% during 2014 from 4.4% during 2013.
- Dividend payouts have been consistently in excess of 30% of its net profit in the past 5 years. During the year 2014 the company has paid an interim dividend of Rp 50 per share out of the Profits for the year.

FINANCIAL RATIOS

Table 4. Financial Ratios

	UOM	2014	2013
<u>Profitability</u>			
Gross margin	%	7.7%	6.1%
Operating margin	%	4.7%	3.4%
Net margin	%	3.6%	2.9%
<u>Balance Sheet Ratios</u>			
Return On Asset	%	5.5%	4.4%
Return On Equity	%	15.9%	14.7%
Total asset turnover	x	1.5	1.5
Receivable period	days	70	70
Inventory period	days	25	29
Payable period	days	70	63
<u>Leverage</u>			
Current ratio	x	1.1	1.2
Asset / equity	x	2.7	3.1
Net gearing	x	0.6	0.9

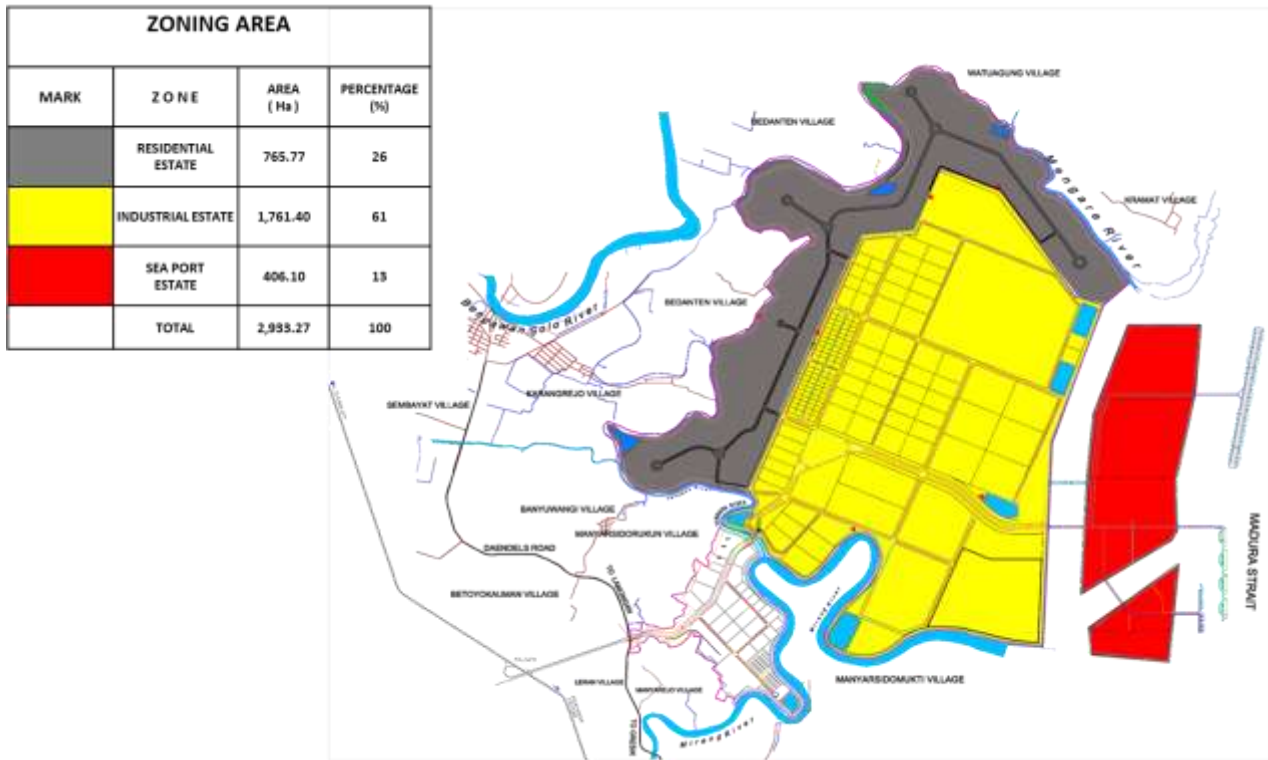
Java Integrated Industrial and Port Estate Update (“JIPE”)

During the year 2014, significant progress has been achieved by PT Berkah Kawasan Manyar Sejahtera, (AKRA holding 60%) in developing infrastructure such as roads, bridges and upgradation of the land for the Industrial estate. Up until 31 December 2014, BKMS has acquired and started development of Stage 1 of the industrial estate. The development for 800 hectares stage 1 out of the total area of 1,761 hectares of the industrial estate is underway and marketing to potential tenants has commenced. Funding requirement for stage 1 of the industrial estate has been secured from equity contribution and syndicated loan facilities with leading Indonesian banks – Bank Mandiri, Bank Exim and Bank Jatim.

PT Berlian Manyar Sejahtera (“BMS”) (AKR .. 40% equity) is currently developing the Phase 1 of integrated deep sea port comprising of 85 ha of Port land, minus 14 meters draft and 250 meters jetty length which is expected to be operational during the year 2015.

AKRA in its earlier disclosure to Indonesian Stock Exchange, has announced that it has injected additional capital to UEPN, a wholly owned subsidiary of AKRA, amounting Rp 780 billion (equivalent to USD 60 million) for capital expenditures used for further development of JIPE. This capital injection will boost UEPN’s issued and paid-in capital from Rp 800 billion to Rp 1,580 billion.

**Industrial estate road infrastructure development****Deep sea port development – 85 ha**



Master Plan Java Integrated Industrial Port and Estate

The full financial statements can be downloaded from the Company's website at <http://www.akr.co.id/>

Haryanto Adikoesoemo
President Director

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 one of Indonesia's leading provider of logistics and supply chain solutions and largest private sector distributor of petroleum and basic chemicals. The Company is the first private company appointed by the Government of Indonesia to distribute subsidized petroleum. The Company is a renowned provider of logistics and infrastructure solutions with areas of operations encompassing Indonesia and China. Through a number of subsidiaries it governs, the Company also operates in the areas of logistic services, manufacturing and coal mining and trading.

PT Usaha Era Pratama Nusantara

PT Usaha Era Pratama Nusantara was established in Jakarta in 1999 and is a wholly-owned subsidiary of PT AKR Corporindo Tbk that works together with PT Berlian Jasa Terminal Indonesia, a subsidiary of Pelindo 3, in providing forwarding services such as loading and unloading of containers, dry bulk cargo, liquid bulk cargo as well as tank rental, and other activities related to cargo management in Terminal Berlian in the Port of Tanjung Perak Surabaya. The company has also invested in JIPE project.

Java Integrated Industrial Port Estate

Java Integrated Industrial Port Estate ("JIPE") is a project that is designed to be one of the largest integrated industrial, residential and deep sea port estates with development area totaling 2,933.3 ha. This project through PT Berkah Kawasan Manyar Sejahtera ("BKMS") will develop the industrial estate, while its sister company PT Berlian Manyar Sejahtera ("BMS") will handle the sea port operations and PT AKR Land Development (an affiliate of AKR) will develop the residential estate. AKR indirectly owns 60% of the company through UEPN, while Pelindo III indirectly owns 40% through BJT.

JIPE aims to become a strategically-located industrial estate, complete with supporting facilities and infrastructure. In addition to a deep water port in the complex, the location has direct access to the major toll road network that connects most cities in East Java, arterial road, railway system and air transport access (Juanda International Airport). The estate is also located 30 kilometers from the city of Surabaya, the second largest city in Indonesia. According to the master plan, the total area of the industrial estate is 1,761 ha.

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