

AKR NEWS RELEASE



For Immediate Release

AKRA audited net profit for FY2015 surge 28% to Rp 1,034 billion

2015 Summary of AKRA Key Achievements

- Growth in all business segments during 2015 despite tough year
- Improvement in profitability and improved margins in all segments
- Effective financial management with strong cash flows and low leverage
- Improving outlook in petroleum, basic chemicals and industrial estate segments during the current year

JAKARTA, 14th March 2016 – PT AKR Corporindo Tbk (IDX ticker code: AKRA.IJ), Indonesia's leading provider of logistic services and supply chain solutions for bulk chemicals and energy distribution reported its audited financial statements for the year ended 2015 with Net Profit After Tax of Rp 1,034 billion, up 28% from Rp 810 billion during the year 2014. In terms of margins, the company has reported significant improvements across all business segments with gross margin of 11,2%, operating margin of 6.8% and net margin of 5,2% in 2015.

The financial statements audited by Purwantono, Sungkoro & Surja (member firm of Ernst & Young) received an unqualified opinion. The company's consolidated gross revenues has reported a decline in overall revenues from Rp 22,468 billion in 2014 to Rp 19,765 billion in 2015 attributed to low oil prices.

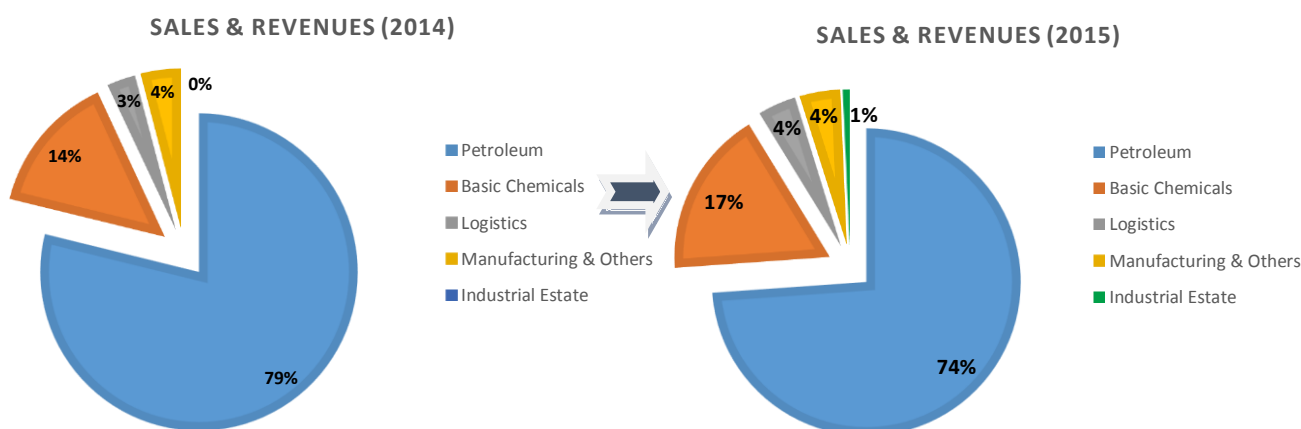
The strong profits AKRA reported during 2015 year demonstrates the company's ability to maintain its growth momentum despite the significant decline in petroleum prices and slowing demand from industries in Indonesia due to the company's ability to deliver effective supply chain solutions while maintaining a strong focus on risk management and cost control.

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

	2015	2014	Growth
Sales and Revenues	19,765	22,468	-12%
Cost of Sales and Revenues	(17,549)	(20,736)	
Gross Profit	2,216	1,732	+28%
<i>Gross margin (%)</i>	11.2%	7.7%	
Operating Profit	1,349	1,063	+27%
<i>Operating margin (%)</i>	6.8%	4.7%	
Finance Income and Costs	(32)	(70)	
Profit before tax	1,317	993	+33%
Tax expense, net	(260)	(203)	
Profit for the period prior to minority interest	1,059	791	+34%
Non-controlling interests	25	(20)	
Profit attributable to equity holders of the parent entity	1,034	810	+28%
<i>Net margin (%)</i>	5.2%	3.6%	

In line with profit growth, Earning per share ("EPS") grew by 26% to Rp 261.9 per share in 2015 from Rp 207.2 per share in 2014.

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



Segmental Performance

- *Petroleum* – the gross revenues from petroleum segment stood lower at Rp 14,602 billion compared to Rp 17,714 billion in 2014 attributed to low oil prices. Having said that, the company managed to improve its margin due to better risk management, cost control as well as expanding customer base with rollout of infrastructure in key locations. This segment has also recorded a strong growth in non-subsidized petroleum sales attributed to increased contribution from coal mining, power, fisheries and general industrial sectors.
- *Basic chemicals* – the gross revenues from chemicals segment recorded 7% growth during the year increasing from Rp 3,206 billion in 2014 to Rp 3,438 billion in 2015.
- *Logistics* – the gross revenues from this segment has recorded 22% growth from Rp 640,8 billion in 2014 to Rp 785,3 billion in 2015.
- *Industrial Estate* – the company’s subsidiary PT Berkah Kawasan Manyar Sejahtera (“BKMS”) has recorded maiden sales of Rp 128 billion sales from industrial estate land sales during the year. This represents the land which has been delivered to tenants during the year 2015.



Bitung Tank Terminal



Pontianak Tank Terminal

Balance Sheet & Cash Flow

The Company continues to maintain a strong balance sheet as at 31st December 2015 with adequate liquidity and low leverage evidenced by a 44% increase in its cash position to Rp 1,290 billion compared to Rp 897 billion during the previous year. Net gearing as on 31 December 2015 is 0.35x.

The total assets of the Company as at 31st December 2015 stood Rp 15,209 billion with total liabilities of Rp 7,923 billion. Therefore, net equity attributable to the equity holders of the parent company is Rp 7,286 billion.

In terms of capital expenditures incurred, AKRA continues to expand its network of tank terminals and infrastructure by investing Rp 435 billion in 2015, compared to Rp 618 billion in the previous year.

Both ROE and ROA have significantly improved to 18.0% and 6.8% in 2015 compared to its previous year of 15.9% and 5.5% respectively.

**Table 3. Highlights of Financial Position
(Rp billion)**

	2015	2014
<i>Current Assets</i>		
Cash and cash equivalents	1,290	897
Trade receivables	3,049	4,351
Inventories	977	916
Other current assets	1,969	536
Total Current Assets	7,286	6,700
<i>Non-Current Assets</i>		
Property, plant and equipment	4,469	4,390
Industrial estate land inventory under development	1,396	2,183
Other non-current assets	2,053	1,517
Total Non-current Assets	7,918	8,090
TOTAL ASSETS	15,203	14,790
<i>Liabilities</i>		
Trade payables	3,434	3,982
Short term bank loan & others	635	1,239
Current maturities of long-term bank loans	310	373
Other current liabilities	492	590
Total Current Liabilities	4,871	6,184
Long-term bank loans and others	1,418	1,024
Bond payables	1,493	1,491
Other long term liabilities	135	1265
Total Non-Current Liabilities	3,046	2,641
Total liabilities	7,917	8,824
<i>Equity</i>		
Equity attributable to equity holders of the parent entity	6,090	5,395
Non-controlling interests	1,196	571
Total Equity	7,286	5,966
TOTAL LIABILITIES AND EQUITY	15,203	14,790

**Table 4. Summary of Cash Flow Statement
(Rp billion)**

	12M15	12M14
Operating cash flow	2,299	3,118
Net cash flow from operating activities	981	2,082
Net cash flow from investing activities	(280)	(730)
Net cash flow from financing activities & others	(308)	(1,276)
Net change in cash	393	77
Beginning cash balance	897	820
Ending cash balance	1,290	897

Table 5. Financial Ratios

	UOM	2015	2014
<u>Profitability</u>			
Gross margin	%	11.20%	7.70%
Operating margin	%	6.80%	4.70%
Net margin	%	5.20%	3.60%
<u>Balance Sheet Ratios</u>			
Return On Asset	%	6.80%	5.50%
Return On Equity	%	18.00%	15.90%
Total asset turnover	x	1.30	1.50
Receivable period	days	56	71
Inventory period	days	20	16
Payable period	days	71	70
<u>Leverage</u>			
Current ratio	x	1.50	1.09
Asset / equity	x	2.09	2.48
Net gearing	x	0.35	0.54

Commenting on the full year financial results, President Director Mr Haryanto Adikoesoemo said "Continuing from last year's strong performance, it's my privilege to announce that this year AKRA continues to produce solid financial results evidenced by 28% growth in net income year-on-year. Our strategy to maximize profits while maintaining margins through strong cost controls have enabled us to meet our earnings target".

"Utilising our extensive infrastructure network and capitalizing upon the opportunity presented in this low oil price environment, we will continue to expand our distribution of petroleum and raw materials. One of the key initiatives we have embarked this year is the introduction of RON92 product which we will distribute through our existing and new retail outlets. In terms of the development progress in JIPE Integrated Industrial and Port Estate in Gresik, significant progress has been achieved in development of infrastructure and preparation of the industrial plots. Construction of industrial plants at the site has commenced and the port operations in first stage of 85ha and 500 metres jetty has commenced since January 2016. We are now finalizing the first power plants and other utilities which will enable us to offer integrated industrial estate with low cost logistics and energy solutions to our industrial estate tenants" said Mr Haryanto.

Outlook for 2016

With Indonesia's GDP expected to record an increased growth from 4,9% in 2015 to 5,4% in 2016 according to the estimate made by Asian Development Bank as well as the improvement in investment climate we are confident that demand for basic raw materials, petroleum products and industrial estates will increase during the year 2016. Deregulation in downstream petroleum segment, including increase in demand for unsubsidized fuels in industrial and retail segments will enable AKRA to increase its volumes and maintain growth in its earnings.



Retail Petrol Station - Bengalon



Retail Petrol Station - Rantau

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

Haryanto Adikoesoemo
President Director

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 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.

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 BJTI.

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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