

# AKR NEWS RELEASE



For Immediate Release

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## AKRA 1H16 Net profit of Rp 586 billion, better performance in Q2'16

### Key Highlights

- Sales & Revenues were lower due to low oil prices
- Overall margins improved
- JIPE project is progressing in terms of getting the industrial land ready for delivery and the project for delivering captive electricity have commenced

**JAKARTA, 26<sup>th</sup> July 2016** – PT AKR Corporindo Tbk (IDX ticker code: AKRA.IJ) reported its unaudited consolidated financial statements for the 6 months of 2016 with net profit after tax of Rp 586 billion, slightly lower than Rp 605 billion reported during the same period last year. The company reported strong sequential growth in profits with net profit of Rp 330 billion in Q2'16, which is higher by 29% compared to Rp 255 billion reported in Q1'16.

Consolidated gross revenues during 6 months is Rp 7,368 billion in 1H'16 compared to Rp 10,273 billion in 1H'15. The Company's Sales and Revenues grew 6% to Rp 3,796 billion in Q2'16 compared to Rp 3,572 billion in Q1'16. Consolidated revenues were impacted during 1H'16 due to the lower petroleum selling prices.

The Company reported higher margins during the 6 months with 1H'16 gross margin of 13.7%, operating margin of 10.4% and net margin of 8.0%.

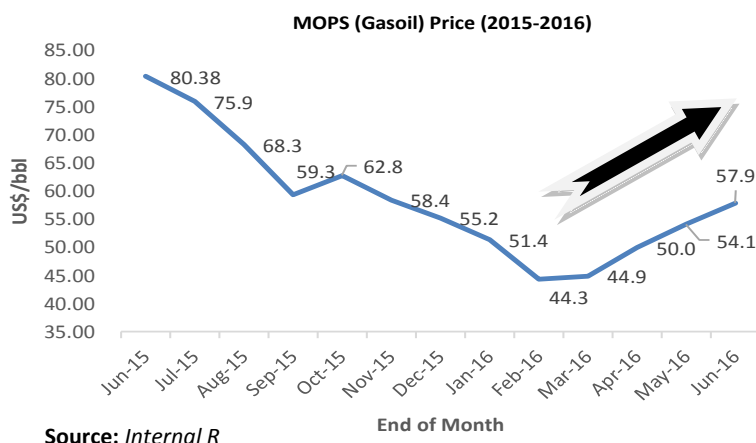
**Table 1. Highlights of Unaudited Consolidated Statement of Income (Rp billion)**

	YoY Performance				QoQ Performance			
	1H'16	1H'15	↑ ↓	%	Q2'16	Q1'16	↑ ↓	%
Sales and Revenues	7,368	10,273		(28%)	3,796	3,572		6%
Cost of Sales and Revenues	(6,359)	(9,124)			(3,229)	(3,130)		
<b>Gross Profit</b>	<b>1,010</b>	<b>1,149</b>		<b>(12%)</b>	<b>567</b>	<b>443</b>		<b>28%</b>
<i>Gross margin (%)</i>	<i>13.7%</i>	<i>11.2%</i>			<i>14.9%</i>	<i>12.4%</i>		
<b>Operating Profit</b>	<b>770</b>	<b>789</b>		<b>(2%)</b>	<b>441</b>	<b>328</b>		<b>35%</b>
<i>Operating margin (%)</i>	<i>10.4%</i>	<i>7.7%</i>			<i>11.6%</i>	<i>9.2%</i>		
Profit before tax expense	740	782		(5%)	425	314		35%
Tax expense	(121)	(152)			(66)	(55)		
Profit for the period	619	630		(2%)	359	259		38%
Non-controlling interests	(33)	(25)			(29)	(4)		
<b>Profit for the period attributable to equity holders of the parent entity</b>	<b>586</b>	<b>605</b>		<b>(3%)</b>	<b>330</b>	<b>255</b>		<b>29%</b>
<i>Net margin (%)</i>	<i>8.0%</i>	<i>5.9%</i>			<i>8.7%</i>	<i>7.1%</i>		

The Earnings Per Share ("EPS") for the first 6 months of 2016 is Rp 146.9 per share (annualized at Rp 293.7 per share) compared to EPS of Rp 261.9 per share during FY2015.

Consolidated revenue of the company during 1H16 of Rp 7,368 billion comprises of Trading & distribution segment revenue of Rp 6,536 billion, Manufacturing segment revenue of Rp 301 billion, Logistic segment revenue of Rp 360 billion and Industrial estate segment revenue of Rp 170 billion.

Trading & distribution segment revenues were lower due to low oil prices; however oil price have started to recover in Q2'16 positively impacting sales revenues. Also sales of basic chemicals was slightly lower in 1H'16 due to weak consumer industrial demand for basic raw materials compared to the same period last year.



The Company's subsidiary PT BKMS which is developing the industrial estate in JIPE has recognized land sales revenue of Rp 170 billion during 1H'16 compared to Rp 128 billion during 1H'15.

The company has reported an overall improvement in quarterly profits with gross profits growing 28% to Rp 567 billion in Q2'16 vs. Rp 443 billion in Q1'16 and operating profits growing 35% to Rp 441 billion in Q2'16 from Rp 328 billion in Q1'16.

Commenting on the financial results, President Director Mr Haryanto Adikoesoemo said "We are happy to report a strong performance during Q2'2016 with sequential profit growth of 30%. The rebound in oil prices has helped to improve margins, while the demand for petroleum products in industrial sectors continue to be weak due to low commodity prices. With the removal of subsidies for gasoline, AKR introduced AKRA RON92 gasoline product through select petrol stations in Java in 2016".

"In terms of the progress with our JIPE integrated industrial & port estate, we are on track to deliver the industrial estate land to our customers and we have also commenced project for delivering captive electricity to our tenants which we are aiming to complete the stage 1 (23MW) by June 2017. The seaport in JIPE started operations from January 2016 and is already handling mid to large size vessels in Manyar port. Our focus will remain clear in reducing logistics cost while delivering value proposition to our customers" said Haryanto.

### Financial Position

Total assets of the Company as at 30<sup>th</sup> June 2016 is Rp 15,383 billion while the total liabilities is Rp 7,439 billion. Net equity attributable to the equity holders of the parent company is Rp 7,944 billion.

Net gearing of the company remains low at 0.40x as at 30<sup>th</sup> June 2016 while its Return on Asset improved to 7.6% during 1H'16 compared to 6.8% in 2015.

**Table 2. Balance Sheet as at 30<sup>th</sup> June 2016 and 31<sup>st</sup> December 2015  
(Rp billion)**

	UOM	6M16	2015
<b>Current Assets</b>			
Cash and cash equivalents	b IDR	844	1,290
Trade receivables	b IDR	2,958	3,049
Inventories	b IDR	896	977
Other current assets	b IDR	2,558	1,970
<b>Total Current Assets</b>	<b>b IDR</b>	<b>7,255</b>	<b>7,286</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	b IDR	4,293	4,469
Industrial estate land inventory under development	b IDR	1,520	1,396
Other non-current assets	b IDR	2,315	2,052
<b>Total Non-current Assets</b>	<b>b IDR</b>	<b>8,128</b>	<b>7,918</b>
<b>TOTAL ASSETS</b>	<b>b IDR</b>	<b>15,383</b>	<b>15,203</b>
<b>Liabilities</b>			
Trade payables	b IDR	2,652	3,434
Short term bank loan & others	b IDR	906	635
Current maturities of long-term bank loans	b IDR	259	310
Other current liabilities	b IDR	645	492
<b>Total current liabilities</b>	<b>b IDR</b>	<b>4,462</b>	<b>4,871</b>
Long-term bank loans and others	b IDR	1,342	1,418
Bond payables	b IDR	1,494	1,493
Other long term liabilities	b IDR	142	135
<b>Total non current Liabilities</b>	<b>b IDR</b>	<b>2,977</b>	<b>3,046</b>
<b>Total liabilities</b>	<b>b IDR</b>	<b>7,439</b>	<b>7,917</b>
<b>Equity</b>			
Equity attributable to equity holders of the parent entity	b IDR	6,675	6,090
Non-controlling interests	b IDR	1,268	1,196
<b>Total Equity</b>	<b>b IDR</b>	<b>7,944</b>	<b>7,286</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>b IDR</b>	<b>15,383</b>	<b>15,203</b>

## Financial Ratios

**Table 3. Financial Ratios**

	UOM	6M16	6M15
<b>Profitability</b>			
Gross margin	%	13.70%	11.21%
Operating margin	%	10.45%	6.83%
Net margin	%	7.95%	5.23%
<b>Balance Sheet Ratios *</b>			
Return On Asset	%	7.61%	6.80%
Return On Equity	%	18.35%	18.00%
Total asset turnover	x	1.0	1.3
Receivable period	days	73	64
Inventory period	days	26	20
Payable period	days	76	72
<b>Leverage</b>			
Current ratio	x	1.63	1.58
Asset / equity	x	1.94	2.09
Net gearing	x	0.40	0.35

The full financial statements are available to download from the Company's website at <http://www.akr.co.id/>

**Haryanto Adikoesoemo**  
PT AKR Corporindo Tbk

**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 private company appointed by the Government of Indonesia to distribute subsidized petroleum. The Company is a renowned provider of logistics and infrastructure 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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