

AKR NEWS RELEASE



For Immediate Release

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PEFINDO affirms “idAA-” rating and improves outlook from “stable” to “positive” for PT AKR Corporindo

JAKARTA, 11th Oct 2016

Credit rating agency PEFINDO has affirmed its “idAA-” rating for PT AKR Corporindo (AKRA) and its Bond. However the rating outlook is revised to “**positive**” from “stable” in anticipation of potential improvement in the Company’s capital structure and cash flow protection measures along with the result of optimal cost management in its fuel distribution business as well as potential higher revenue from the land sales of its industrial estate, without incurring any significant debt incurred by the Company.

The rating reflects following

- Steady demand for fuel in Indonesia
- Company’s extensive logistic infrastructure network
- Strong cash flow protection & liquidity

The above strengths are partly offset by risks related to further development in the industrial estate and exposure to risk of downturn in the mining sector .

The full press release can be downloaded from Company’s website : <http://www.akr.co.id/gcg> (Bond Information)

About 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 BJTl.

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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