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Press Release

SSIA POSTED Rp2,084 BILLION of REVENUE and Rp92 BILLION OF NET INCOME FOR THE FIRST HALF OF 2016

PT Surya Semesta Internusa Tbk (SSIA) 1H16 Financial Highlights

Consolidated Financial Statements			
<i>(in billion Rp)</i>			
	1H16	1H15	YoY
Revenues	2,084.1	2,499.6	-16.6%
Property	474.7	412.1	15.2%
Construction	1,294.8	1,794.0	-27.8%
Hospitality	314.3	293.4	7.1%
Others	0.2	-	
Gross Profit	606.0	608.5	-0.4%
EBITDA	365.1	429.9	-15.1%
Net Income	91.5	256.3	-64.3%
Comprehensive Income	82.3	249.6	-67.0%
EBITDA Margin	17.5%	17.2%	0.3%
Net Income Margin	4.4%	10.3%	-5.9%
	1H16	1Q16	QoQ
Cash and cash equivalents	783.0	818.1	-4.3%
Total Asset	6,352.3	6,377.3	-0.4%
Total Liabilities	2,989.0	2,906.1	2.9%
Non Controlling Interest	417.9	434.9	-3.9%
Total Equity	2,945.4	3,036.3	-3.0%

Business Segment Analysis

1H16 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	474.7	1,294.8	314.3	2,084.1
<i>Segment percentage</i>	<i>28%</i>	<i>58%</i>	<i>13%</i>	<i>100%</i>
Gross Profit	285.0	127.2	193.6	606.0
<i>Segment percentage</i>	<i>56%</i>	<i>18%</i>	<i>26%</i>	<i>100%</i>
EBITDA	259.4	90.4	60.2	365.1
<i>Segment percentage</i>	<i>73%</i>	<i>21%</i>	<i>12%</i>	<i>100%</i>
Gross Profit Margin	60.0%	9.8%	61.6%	29.1%
EBITDA Margin	54.7%	7.0%	19.1%	17.5%

1H15 in billion Rp	Business Segments			Total
	Property	Construction	Hospitality	
Revenues	412.1	1,794.0	293.4	2,499.6
<i>Segment percentage</i>	<i>16%</i>	<i>72%</i>	<i>12%</i>	<i>100%</i>
Gross Profit	279.2	143.4	186.0	608.5
<i>Segment percentage</i>	<i>58%</i>	<i>18%</i>	<i>24%</i>	<i>100%</i>
EBITDA	256.3	156.5*	51.2	429.9
<i>Segment percentage</i>	<i>70%</i>	<i>26%</i>	<i>9%</i>	<i>100%</i>
Gross Profit Margin	67.7%	8.0%	63.4%	24.3%
EBITDA Margin	62.2%	8.7%	17.4%	17.2%

*Includes income from JO Rp45.4 billion

- SSIA for the first half of 2016 posted a consolidated revenue of Rp2,084.1 billion. The revenue decreased by about 16.6% from Rp2,499.6 billion in 1H15. This decline was mainly due to the lower revenue in SSIA's construction business unit by about 27.8%.
- SSIA managed to improve its gross margin to 29.1% in 1H16, a 4.7% higher compared to 1H15 gross margin at about 24.3%. Meanwhile, the Company 1H16 EBITDA stood at Rp365.1 billion, a 15.1% lower from 1H15 EBITDA at Rp429.9 billion.
- SSIA's consolidated net income in 1H16 was at Rp91.5 billion, a 64.3% lower compared to Rp256.3 billion booked in 1H15. The decline mainly was due to lower SSIA's construction and hospitality net income compared to 1H15. In addition, there was a Rp43.2 billion loss from Equity in Net Earning of Associates (PT Lintas Marga Sedaya - Cipali toll road operator).

Property

- In 2Q16 the industrial market has yet to recover from the generally slow sales performance which has led to further downward pressure on industrial land prices. The total sales of industrial land in the greater Jakarta area added to 29.03 hectares. Total sales in 1H16 only represented 13.9% of the total of last year's transaction of 347.51 hectares. We anticipate a higher sales volume in 2H16 particularly coming from the logistics sector. *(source : Colliers 2Q16)*
- SSIA's property unit which consists of industrial estate sales, maintenance fees, commercials, has booked a revenue of Rp447.0 billion in 1H16 or a 16.1% YoY increased from Rp385.1 billion in 1H15.
- The industrial estate unit, which is the Company main business, posted an accounting sales of 30.3 hectares industrial land in 1H16 with an average selling price of US\$116.0 per m2 or a total of Rp365.5 billion compared to the industrial land sales in 1H15 which stood at Rp313.9 billion. Meanwhile, the land sales backlog by end of 1H16 stood at 3.8 hectares with average selling price of US\$159.6 per m2.
- PT SLP SURYA TICON INTERNUSA ("SLP") 1H16 occupancy rate was at 100% with an Average Rental Rate at Rp75,000 per m2 per month. SLP which has launched second phase of modern warehousing facilities in January 2016. It plans to have 12 warehousing units with a total area of 27,648 m2, each unit size is about 2,304 m2. The second phase is expected to be commercially operating in September 2016.
- Notes on the land bank progress in Subang, West Java, as of 30 June 2016, SSIA has managed to free up and acquired about 448 hectares.

Construction

- The outlook of Indonesia's economy is expected to remain lackluster in 2016, with growth forecast to range from 5% to 5.2%, down from previous estimates of 5.2% to 5.6%. On the other hand, Standard & Poor's (S&P) rating agency affirmed Indonesia's sovereign credit rating of BB+ with a positive outlook, leaving the economy one notch below investment grade. This means that an upgrade is still likely in the near future.
- The high rise building market will see gradual improvement in the upcoming quarters given that the economic fundamentals show signs of stabilization, inflation remains low and we are anticipating the tax amnesty law coming into effect. In addition, Bank Indonesia has launched easing moves, including cutting the BI rate by 25 bps to 6.5%, as well as macro prudential policies that will relax the loan-to-value ratio for landed houses and apartments and are expected to boost credit demand and spur economic activity. Nevertheless, the expectation of huge supply going forward is the other main challenge for the apartment market in general. *(source : Colliers 2Q16)*
- PT Nusa Raya Cipta Tbk (NRCA), SSIA's construction unit, for the first half of 2016 recorded a revenue of Rp1,309.2 billion (includes projects within SSIA group), 43.6% from its full year target of Rp3.0 trillion. Its revenue compared to the same period in 2015 decreased by 28.8% from Rp1,839.2 billion. It also managed to book Rp40.5 billion of net profit from January – June 2016.
- NRCA, for the first six months of 2016 booked new contracts of Rp1,193.7 billion, 47.4% lower than new contracts in 2015 of Rp2,267.8 billion. The new contracts achievement represents 36.2% of total NRCA new contracts target for 2016 of Rp3.3 trillion (including projects from SSIA group). Main projects obtained in 1H16 are The Branz BSD, The

Rimba Extension, Gedung Pasca Sarjana FK UGM Yogyakarta, Tempo Yogyakarta, and MRT SP-01 Jakarta.

- The Company's toll road Cikopo - Palimanan (Cipali) operator, PT Lintas Marga Sedaya (LMS), completed construction works within 30 months with a total investment cost of Rp13.7 trillion. Starting its commercial operation since 26 June 2015. During period of June 2015 to June 2016, Cipali managed to reach an average end to end sectional traffic volume of 25,875 vehicles per day, with the average revenue of Rp2.7 billion/day.

Hospitality

- SSIA's hotel unit booked a revenue of Rp314.3 billion in 1H16 compared to Rp293.4 billion in 1H15. About 68.9% of total hospitality revenue generated by Gran Melia Jakarta (GMJ) and Melia Bali hotel (MBH). While the remaining were contributed from Banyan Tree Ungasan Resort (BTUR) and BATIQA Hotels.
- The Gran Melia Jakarta (GMJ) occupancy rate for 1H16 was at 47.2% from 50.3% in 1H15. While the ARR for the six months period of 2016 was around US\$109.1 from US\$123.5 in 1H15. Meanwhile Melia Bali Hotel's (MBH) occupancy rate in 1H16 at 75.9% increased from 62.2% in 1H15. The ARR was US\$86.6 in 1H16 from US\$93.9 in 1H15.
- The Banyan Tree Ungasan Resort (BTUR) occupancy rate in 1H16 was at 59.2% from 1H15's occupancy rate of 61.9%. The 1H16 ARR was US\$445.8, slightly lower than US\$477.8 in 1H15.
- SSIA launched BATIQA Hotel Palembang on 18 February 2016, and the Company is planning to add 2 more hotels this year, specifically in Pekanbaru (soft opening on 4 May 2016) and Lampung (soft opening on 2 June 2016). BATIQA Hotel & Apartments Karawang, BATIQA Hotel Cirebon, BATIQA Hotel Jababeka, and BATIQA Hotel Palembang recorded 50.5% average occupancy rate for the period of 1H16. Its ARR was at Rp322,673.
- From travelio.com in 2Q16, it managed to diversify its inventory into private properties (i.e. apartments, houses, villas). As of 30 June 2016, travelio.com has a total of ~400 private properties.

About PT Surya Semesta Internusa Tbk (SSIA)

SSIA, formerly known as PT Multi Investments Limited, was established on 15 June 1971, the company transformed into PT Surya Semesta Internusa ("SSIA") in 1995. SSIA's main businesses are industrial estate development, commercial property, construction services, and hospitality.

SSIA's diversified investment portfolio primarily includes Suryacipta City of Industry, Graha Surya Internusa (not in operation, to be redeveloped into SSI tower), Gran Melia Jakarta Hotel, Melia Bali Hotel, Banyan Tree Ungasan Resort Bali, and BATIQA Hotels.

For more than 40 years in the property business, SSIA has strengthened its brand recognition and placed it as one of the strongest developer companies in Indonesia. Completing its milestones as a leading company, SSIA recorded its shares at Indonesia Stock Exchange and became a listed company on 27 March 1997. For more information, visit www.suryainternusa.com.

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