

Jakarta, October 31, 2015

PT Semen Indonesia (Persero) Tbk.

JSX : SMGR
Reuters : SMGR.JK
Bloomberg : SMGR.IJ

Market Capitalisation – as of October 31, 2015: Rp57,536billion (US\$3.9billion)

Issued shares – as of August 07, 2007
5,931,520,000 Shares

Share Price (Closing)

1 October 2015 Rp9,050
As of 30 September 2015 Rp9,200
Hi/Lo (9 mo) Rp16,275/Rp8,225

Major Shareholders

Government of Indonesia 51.01%
Public 48.99%

Board of Directors

President Director – Suparni
Finance Director – Ahyanizzaman
Production Director – Johan Samudra
R&D and Operations – Suharto
Commercial Director – Amat P. Dharma
HRD Director – Gatot Kustiyadji
Strategy & Bus Dev – Rizkan Chandra

Consolidated Subsidiaries

PT Semen Padang (99.99%)
PT Semen Tonasa (99.99%)
PT Semen Gresik (99.23%)
PT Thang Long Cement (70.00%)
PT Kawasan Industri Gresik (65%)
PT Industri Kemasan Semen Gresik (60%)
PT United Tractors Semen Gresik (55%)
PT SGG Energi Prima (97%)
PT SGG Prima Beton (99,99%)
PT Krakatau Semen Indonesia (50%)
PT Sinergi Informatika Semen Ind (100%)

Website <http://www.semenindonesia.com>

Financial Summary

For the period ended 30 September 2015

In Rpbn	9M15	9M14	Change
Revenue	19,115	19,349	-1.2%
Cost revenue	11,602	10,898	6.5%
Gross profit	7,513	8,451	-11.1%
Operating expenses	(3,411)	(3,257)	4.7%
Pre-tax profit	4,102	5,193	-21.0%
EBITDA	5,211	6,138	-15.1%
Net profit after minority interest	3,198	4,077	-21.6%
EPS (Rp)	539	687	-21.6%

Ratio	Formula	9M15	9M14
EBITDA margin (%)	EBITDA/revenue	27	32
Interest coverage (x)	EBITDA/interest expense	19	25
Debt to equity (%)	Total debt/equity	16	18
Net debt to equity (%)	Total debt minus cash/equity	5	2
Debt to assets (%)	Total debt/total assets	3	3

Business Highlights

- Revenue was down by 1.2% YoY to Rp19,115 billion in 9M15 as sales volume also declined. Net Income after minority interest was down 21.6% YoY to Rp3,198 billion in 9M15 (EPS of Rp539/share).
- Semen Indonesia's total domestic sales volume in 9M15 was 18.21 million tonnes, down 3.7%. Export volume from the Indonesia operation was up to 0.39 million tonnes in 9M15, from only 0.18 million tonnes in 9M14.
- Domestic cement consumption was down by 0.9% 42.58 million tonnes in 9M15, reflecting some recovery in demand starting August 2015 after very slow demand in the beginning of the year.
- Due to slow demand and increases in costs, primarily the electricity cost, our EBITDA was down 15.1% YoY to Rp5,211 billion in 9M15. We rely on PLN, the state owned electricity company, for our electricity supply, which gradually raised electricity tariff last year.
- We recorded cash and equivalents of Rp2,741 billion and total interest bearing debt of Rp4,113 billion as of as of 30 September 2015. This results in net debt to equity of 5.4%.

Contacts:

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Investor Relation

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SEMENT INDONESIA REPORTS UNAUDITED CONSOLIDATED 9M2015 RESULTS

PT Semen Indonesia (Persero) Tbk. (“SMGR” or “the Company”) announced its consolidated September 30, 2015 financial statements. The Company recorded revenue and pre-tax profit of Rp19,115 billion and Rp4,102 billion, respectively, for the period of 9M15. Net income was recorded at Rp3,198 billion.

The financial statements were prepared in accordance with the Indonesian Generally Accepted Accounting Principles. For more detailed information, please refer to the Company’s Consolidated Financial Statements as filed with Indonesia Financial Service Authority and the Indonesia Stock Exchange on October 29, 2015.

PERFORMANCE REVIEW

Sales Volume

In the first nine months of 2015 (9M15) Indonesia’ domestic cement consumption reached 42.58 million tonnes as reported by the Indonesian Cement Association, down by 0.9% YoY. The overall slow down in the economy has had impact on the domestic cement demand. There was strong recovery in demand started in August 2015, after the Lebaran holiday. Total export rose more than 2x YoY to 0.79 million tonnes in 9M15, to partially offset the low domestic demand. The total Indonesia’ cement output reached 43.37 million tonnes in 9M15, up slightly by 0.3% YoY.

Semen Indonesia’ sales volume (Indonesia operation) reached 18.60 million tonnes in 9M15, down 2.6% YoY, lower than the industry’s growth as we were having some unplanned maintenance in some of our plants. Domestic sales volume was down 3.7% YoY to 18.21 million tonnes in 9M15, lower than the industry’s growth. Export volume was up 116.6% YoY to 0.39 million tonnes in 9M15.

In million tonnes	9M15			9M14			Change (%)		
	Domestic	Export	Total	Domestic	Export	Total	Domestic	Export	Total
Semen Indonesia	9.94	0.00	9.94	10.19	0.00	10.19	-2.4	-	-2.4
Semen Padang	4.48	0.31	4.79	4.87	0.12	4.99	-8.0	164.8	-4.0
Semen Tonasa	3.79	0.09	3.87	3.86	0.07	3.93	-1.9	30.7	-1.3
Total Indonesia plants	18.21	0.39	18.60	18.92	0.18	19.10	-3.7	116.6	-2.6
Indonesia cement output	42.58	0.79	43.37	42.99	0.25	43.24	-0.9	216.0	0.3

Source: Company data

Revenue

The Company’s total sales revenue in 9M15 reached Rp19,115 billion, down 1.2% YoY, due to a combination of lower sales volume and average selling price.

Cost of Revenue

The cost of revenue increased by 6.5% YoY to Rp11,602 billion in 9M15 up from Rp10,898 billion in 9M14. This was primarily due to increases in electricity cost; and depletion, depreciation & amortisation on additional fixed assets such as packing plants in Balikpapan and Pontianak in Kalimantan.

Gross Profit

As the results, gross profit was down 11.1% YoY to Rp7,513 billion in 9M15. Gross profit margin declined to 39.3% in 9M15, down from 43.7% in 9M14.

Operating Expenses

The Company's operating expenses increased by 4.7% to Rp3,411 billion in 9M15, up from Rp3,257 billion in 9M14. Selling expenses were down by 3.9% YoY to Rp1,885 billion in 9M15, from Rp1,961 billion in 9M14. However, general and administrative expenses rose 10.8% YoY to Rp1,529 billion in 9M15, from Rp1,380 billion in 9M14.

Pre-tax Profit

Pre-tax profit declined 21% YoY to Rp4,102 billion in 9M15, down from Rp5,193 billion in 9M14. EBITDA was also down by 15.1% YoY to Rp5,211 billion in 9M15.

Net Income

Net income after minority interest was down 21.6% YoY to Rp3,198 billion in 9M15, from Rp4,077 billion in 9M14.

Market Share 9M15

	Market share								
	SMGR	INTP	SMCB	SMBR	Bosowa	Andalas	Kupang	CG	JS
Java	38.8%	37.0%	17.7%	-	1.6%	-	-	2.7%	2.2%
Sumatra	43.0%	10.6%	14.5%	11.4%	3.2%	14.2%	-	2.3%	0.1%
Kalimantan	51.6%	27.9%	9.8%	-	7.2%	-	-	3.4%	0.1%
Sulawesi	63.6%	11.9%	1.2%	-	23.3%	-	-	-	-
Nusa Tenggara	38.4%	31.4%	5.8%	-	14.1%	-	7.0%	3.3%	-
East Indonesia	57.1%	19.1%	1.0%	-	22.9%	-	-	-	-
Total Indonesia	42.8%	28.2%	14.2%	2.4%	5.2%	3.0%	0.4%	2.4%	1.3%

Source: Indonesia Cement Association (ASI)

PROGRESS OF STRATEGIC PROJECTS

The constructions of 2 (two) new cement plants in Rembang, Central Java and Indarung, West Sumatera, each with designed capacity of 3mtpa (million tonnes per annum), are still in progress. The constructions are expected to be completed by the end of this year and commercial operation to start in early 2017. These new plants will add our designed capacity to 38mtpa.

We are also progressing with the Waste Heat Recover Power Generator project (WHRPG) in Tuban to generate 30MW power, for cost saving purposes and reduce CO2 emissions.

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