



PT SRI REJEKI ISMAN TBK

QUARTERLY UPDATE

For the six months ended 30 June 2014 and 2013

INCOME STATEMENT

| In Billion Rp | 6M' 14 | 6M' 13 | % Change |
|--|--------|--------|----------|
| Gross Sales | 3,407 | 2,608 | 31 |
| Gross Profit | 589 | 435 | 35 |
| Operating Profit (excluding Loss on Forex) | 449 | 348 | 29 |
| Forex Loss | 69 | 10 | 590 |
| Finance expenses – net | 172 | 90 | 91 |
| Net Income | 139 | 183 | (24) |
| EBITDA | 552 | 422 | 31 |

FINANCIAL RATIOS

| Ratio | 6M' 14 | 6M' 13 |
|--|---------|----------|
| Gross Profit Margin | 17.3 | 16.7 |
| Operating Profit Margin (excl. Loss on Forex) | 13.2 | 13.3 |
| EBITDA Margin | 16.2 | 16.2 |
| DER | 1.97x | 1.45x |
| A/R turn over | 80 days | 30 days |
| Inventory turn over | 85 days | 120 days |

HIGHLIGHT 6M '14

- The consolidated Gross Sales, Gross Profit, Operating Profit and EBITDA of PT Sri Rejeki Isman Tbk increased by 31%, 35%, 29% and 31%, respectively.
- Total Gross Sales in 6M'14 grew by 31% YoY to Rp 3,407 billion from Rp 2,608 billion in 6M '13, with strong contribution from spinning division due to expansion last year by acquisition of PT Sinar Pantja Djaja. Garment division contribution was stable even

though the Company didn't process order from Uniqlo. Finishing division contribution also strong due to additional order from existing customer and new customers.

- Gross Profit Margin expanded by 35% compare with 6M '13 due to "natural hedge in operation" giving better margin to the Company as a result of depreciation in Rupiah.
- On the other hand net profit decreased by 24% due to unrealized foreign exchange loss on the US Dollar bond issued in April 2014 and due to increase in financial expenses.
- A/R turn over increase because contribution from domestic sales was higher compared to export and the Company was able to increase the total number of domestic customers.
- Overall, the Company delivered strong financial performance. Revenue growth were all up by double digits, in fact, it is the first time the Company had reached another milestone to achieve Rp 3.4 Trillion revenues in a six month period.

CORPORATE

- On April, 24 PT Sri Rejeki Isman Tbk has successfully issued USD 200 mio, 5 year Global Bond with 9% coupon rate. It was oversubscribed by 2x. The issue was priced at par, resulting in a final yield of 9%
- SRIL included in Kompas 100 Index
- SRIL launch SRX brandname on August 15, 2014
- SRIL have decided to postponed the Re-Opening of Outstanding USD Bond.

Disclaimer : This newsletter may contain forward looking statements that involve risk and uncertainties. Actual future actions may differ materially from those expressed in forward looking statements as a result of a number of risk, uncertainties and assumptions. You are cautioned not to place under reliance on these forward-looking statement, which are based on current view of management on future events

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