

PT SRI REJEKI ISMAN Tbk

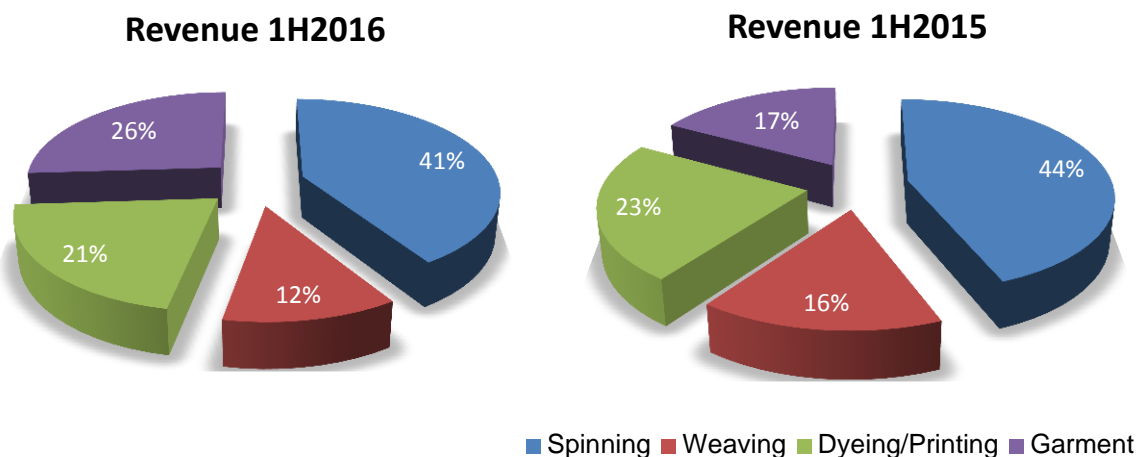
QUARTERLY UPDATE

For the six months ended 30 June 2016 and 2015

Income Statements

In Million USD	1H2016	1H2015	% Change
Gross Sales :			
Spinning	152.8	157.9	(3.2)
Weaving	44.2	58.8	(24.8)
Finishing	78.2	82.8	(5.6)
Garment	95.8	62.6	53
Total Gross Sales	371.0	362.1	2.5
Gross Profit	76.2	73.8	3.3
Operating Profit	58.5	51.9	12.7
Net Income	31.9	30.1	6.0
EBITDA	69.3	60.4	14.7

Revenue Contributions



Financial Highlights

Ratio	1H2016	1H2015
Gross Profit Margin	20.5%	20.4%
Operating Profit Margin	15.8%	14.3%
Net Profit Margin	8.6%	8.3%
EBITDA Margin	18.7%	16.7%
Operating Cash Flow (mio USD)	11.1	2.1



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Financial Ratios

Ratio	1H2016	1H2015
A/R turnover	6.3x	5.2x
Inventory turnover (days)	86	85
Net Debt to EBITDA	3.1x	3.0x
Interest Bearing Debt to Total Asset	58%	59%

Balance Sheets

In Million USD	30/6/16	30/6/15	In Million USD	30/6/16	30/6/15
Cash and cash equivalent	73	93	Short term loan	33	13
A/R	134	150	A/P	17	14
Inventories	145	155	Taxes payable	8	9
Fixed Asset	459	328	Accrued expenses and other liabilities	35	35
Advances	32	35	Long term loan	4	143
Other Assets	9	14	Medium term notes	30	30
Total Assets	852	775	Notes payable	431	272
			Equity	294	259
			Total Liabilities and Equity	852	775



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Summary 1H2016

- Total gross sales increase by 2.5 % contribute from increase in garment sales which increase by 53% from previous year. The Company focus to sell high value product while weaving product mostly transfer to internal use to support order of fabric and garment.. The garment division itself running at full capacity.
- Gross profit margin 20.5 % expand from 1H2015 margin 20.4%. Efficiency and focus on high value product contribute to expansion in Gross Profit Margin.
- Net debt to EBITDA maintain at level 3.0X – 3.1X
- Capex spending in 1H2016 amounting to USD 39.2 million which around 65% from total budget capex in this year.
- Company strongly confidence to achieve sales target increase by 5%-8% compare with FY2015 since the production line already fully book up to December 2016. Net income projection increase by 8%-15% compare with FY2015
- SRIL included in Kompas 100, Margin Trading and LQ45.
- Company paid dividends for FY 2015 amounting to USD 4.016.064 represent 7,2% from FY Net Income 2015.
- Company rated by 3 international rating agency with rating BB-/Stable from Fitch, BB-/Negative Outlook from Standard and Poor's and B1/Positive Outlook from Moody's. Local rating A+/Stable Outlook from Fitch Indonesia.

AWARDS

- ❖ PT Sri Rejeki Isman Tbk received Best Emiten for Multi Industri Sector from Bisnis Indonesia Award 2016
- ❖ PT Sri Rejeki Isman Tbk received “ Top Performing Best Listed Companies 2016” from Investor Magazine for Textile and Garment sector
- ❖ Obsession Awards 2016 from Obsession Media Group (OMG) for nominator Category Best Regional Achievers sub category Local Giants
- ❖ Mr Iwan Setiawan Lukminto (CEO) as Finalist EY World Entrepreneur of The Year 2015 from Ernst & Young
- ❖ Mr Iwan Setiawan Lukminto achieved “Best CEO” from Bisnis Indonesia Award 2015
- ❖ Received 2015 National Award of Intellectual Property in the category of IP Enterprise Trophy by Sritex from the WIPO (World Intellectual Property Organization)



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 undue reliance on those forward-looking statements, which are based on current view of management on future events.

For further inquiry, please contact:

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