

PT SRI REJEKI ISMAN Tbk

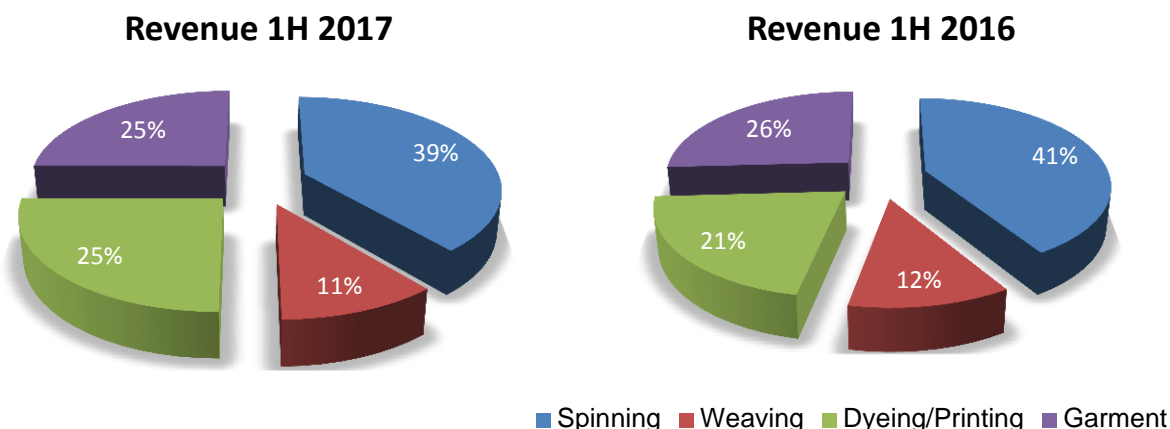
QUARTERLY UPDATE

For six months ended 30 June 2017 and 2016

Income Statements

In Million USD	1H 2017	1H 2016	% Change
Gross Sales :			
Spinning	156	153	2
Weaving	44	44	-
Finishing	101	78	29
Garment	100	96	4
Total Gross Sales	401	371	8
Gross Profit	87	76	15
Operating Profit	69	57	21
Net Income	33.6	26.7	26
EBITDA	80.9	66.1	22

Revenue Contributions



Financial Highlights

Ratio	1H 2017	1H 2016
Gross Profit Margin	21.6%	20,4%
Operating Profit Margin	17.2%	15.4%
Net Profit Margin	8.4%	7.2%
EBITDA Margin	20.2%	17.8%
Operating Cash Flow (mio USD)	6.2	3.9



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Financial Ratios

Ratio	1H 2017	1H 2016
A/R turnover	5x	5.8x
Inventory turnover (days)	103	93
Net Debt to EBITDA (LTM)	3.4	3.2
Interest Bearing Debt to Total Asset	60%	59%

Balance Sheets

In Million USD	30/06/17	31/12/16
Cash and cash equivalent	110	60
A/R	168	150
Inventories	212	148
Fixed Asset	540	519
Advances	10	23
Other Assets	20	47
Total Assets	1.060	947

In Million USD	30/06/17	31/12/16
Short term loan	79	53
Medium term notes	30	30
A/P	17	5
Taxes payable	13	6
Accrued expenses and other liabilities	46	40
Long term loan	25	47
Notes payable	490	435
Equity	360	331
Total Liabilities and Equity	1.060	947



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Summary 1H 2017

- Total gross sales increase by 8%, contributed from the increase in yarn, fabric, and garment sales which increase by 2%, 29%, and 4% each 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 & EBITDA margin expand as a result of production efficiency increase in contribution of higher margin product.
- Net profit margin increase as a result of GPM expansion.
- Capex spending up to 1H 2017 amounting to USD 11 million.
- Cash and cash equivalent amounting to USD 110 shown a strong cash position to support Company operation.
- SRIL included in Kompas 100, Margin Trading, LQ45, and IDX 30.
- Company paid dividends for FY 2016 amounting to USD 4.127.621 represent 7% from FY Net Income 2016. The dividend was paid in June 21, 2017.
- Company rated by 2 international rating agency with rating BB-/Stable from Fitch, and B1/Positive Outlook from Moody's. Local rating A+/Stable Outlook from Fitch Indonesia.
- Sritex plan to increase capital up to 10% of the company's total issued share capital with non pre-emptive rights in order to strengthen capital structure which will support the business of the company and its subsidiaries. The new shares issued will be priced at least Rp. 354 and will be subscribed by the principal shareholder of the company, PT Huddleston Indonesia.

AWARDS

- ❖ Best Listed Companies 2017 from Investor Magazine for Textile and Garment Sector
- ❖ Best Emiten by Analyst Selection in "Yuk Nabung Saham" programme 2017
- ❖ Best Liability Management – Asset Asian Award 2016 by Triple A
- ❖ The Top 50 Company For 2016 – Best of the Best Awards, Forbes Indonesia
- ❖ Rank-1 For Textile and Garment Group – Economic Review
- ❖ Rank A For Best GCG 2016 – Economic Review
- ❖ Top Ten Blue as one of the best IDX Listed Company – 2016
- ❖ 40 Best Listed Company by Analyst Selection - 2016
- ❖ 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

AWARDS (Cont'd)

- ❖ 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.

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