

General Announcement::2016 Mid-Year Presentation to Analysts on 5th September 2016

Issuer & Securities

Issuer/ Manager	JARDINE CYCLE & CARRIAGE LIMITED
Securities	JARDINE CYCLE & CARRIAGE LTD - SG1B51001017 - C07
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Jardine Cycle & Carriage

2016 Mid Year Presentation to Analysts

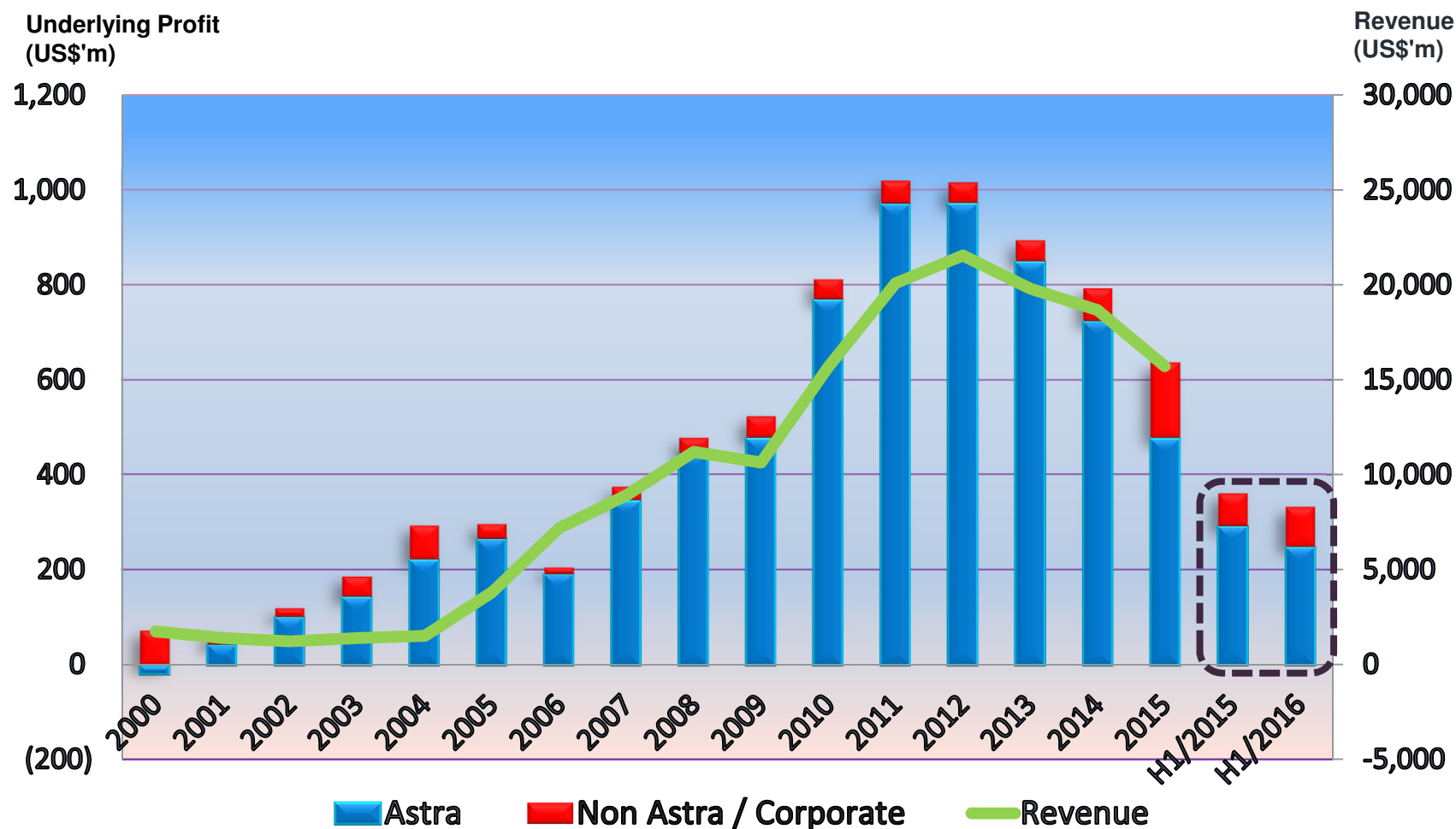
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Highlights

- **Underlying earnings per share down 15%**
- **Lower rupiah earnings at Astra**
- **Contribution from Direct Motor Interests up 13%**
- **Contribution from Other Interests up 29%**

Financial Highlights

Underlying Profit and Revenue from 2000 to present



Financial Highlights – Profit & Loss Account

	<u>H1/2016</u>	<u>H1/2015</u>	
	US\$m	US\$m	<i>Change</i>
Revenue	<u>7,703</u>	<u>8,237</u>	-6%
Underlying profit	332	361	-8%
Non-trading items	(4)	(2)	100%
Net profit	<u>328</u>	<u>359</u>	-9%

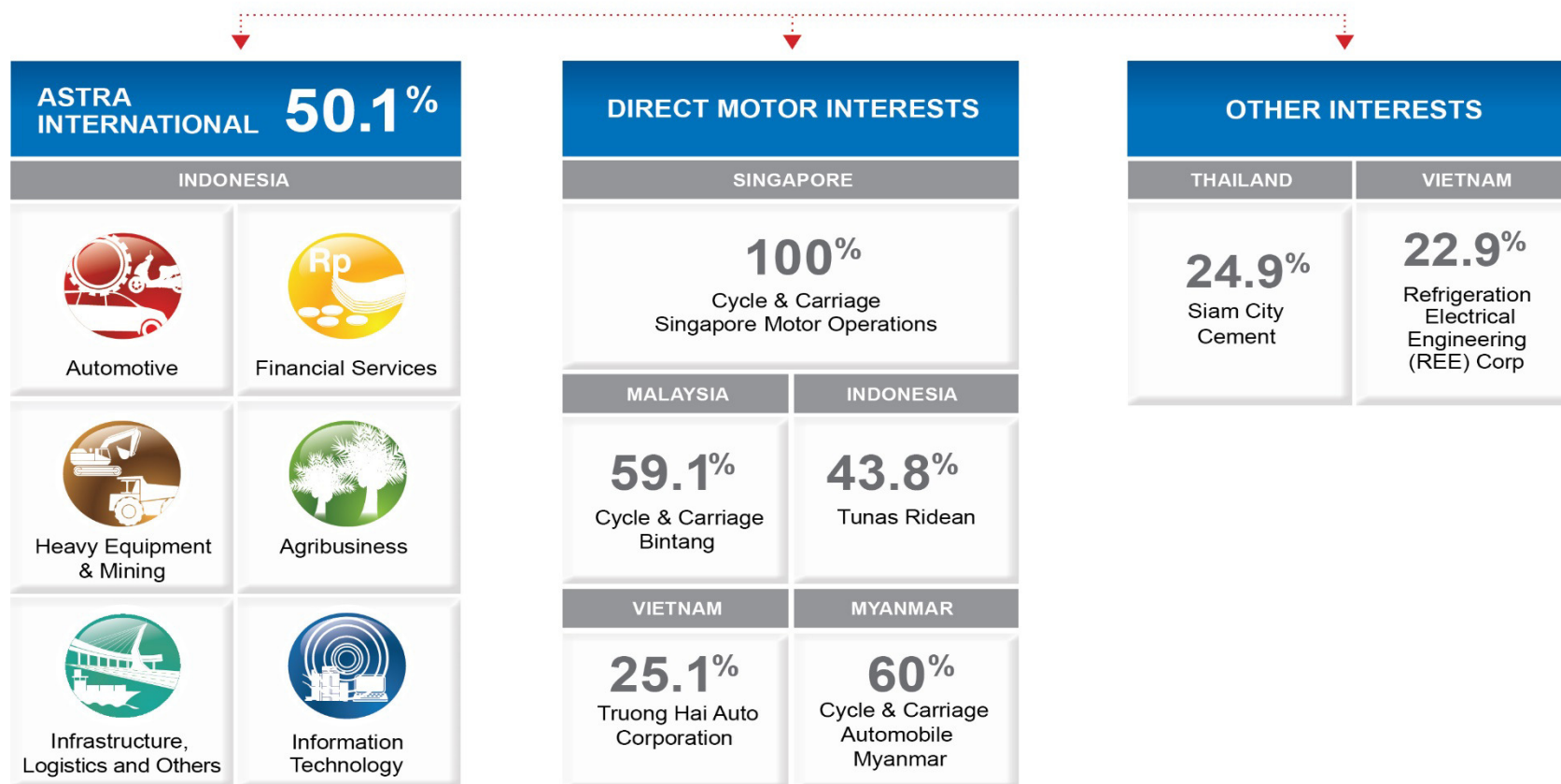
Financial Highlights – Balance Sheet

	<u>Jun-16</u>	<u>Dec-15</u>	
	US\$m	US\$m	<i>Change</i>
Shareholders' funds	5,553	5,166	7%
Total equity	11,594	10,727	8%
Net debt	(2,996)	(2,977)	1%
Net debt (excl. FS)	355	255	<i>nm</i>
Gearing	26%	28%	
Gearing (excl. FS)	n.a.	n.a.	
	US\$	US\$	
Net asset value per share	14.05	13.07	7%

Financial Highlights – Other

<u>H1/2015</u>	<u>H1/2016</u>		<u>H1/2016</u>	<u>H1/2015</u>	
S¢	S¢		US¢	US¢	<i>Change</i>
134	116	Underlying EPS	84	99	-15%
132	114	EPS	83	98	-15%
24	24	Interim Dividend per share	18	18	0%

Group Structure



Underlying Profit



Underlying Profit – By Activity

	<u>H1/2016</u>	<u>H1/2015</u>	
	US\$m	US\$m	<i>Change</i>
Astra	248.7	291.6	-15%
Direct motor interests	78.2	68.9	13%
Other interests	15.3	11.9	29%
Corporate costs	(10.3)	(11.7)	-12%
Underlying profit	<u>331.9</u>	<u>360.7</u>	-8%

Underlying Profit – Astra

	<u>H1/2016</u>	<u>H1/2015</u>	
	US\$m	US\$m	<i>Change</i>
Automotive	136.0	122.3	11%
Financial services	46.8	80.3	-42%
Heavy equipment and mining	41.9	78.9	-47%
Agribusiness	23.6	13.6	74%
Infrastructure, logistics and others	5.4	2.6	108%
Information technology	2.7	2.9	-7%
Withholding tax on dividend	(7.7)	(9.0)	-14%
	<u>248.7</u>	<u>291.6</u>	-15%



Astra – H1/2016 Review

- Reported net profit equivalent to US\$530m, 12% down in rupiah terms
- Net income fell, despite higher automotive profits, as weak commodity prices adversely affected its heavy equipment, mining contracting and agribusiness operations, alongside a significant increase in loan-loss provisions at Permata Bank
- US\$249m contribution to the Group's underlying profit, as a 12% decline in its rupiah results was translated into a 15% fall in US dollars (rupiah was on average 3% weaker than H1/2015)
- Wholesale 4W market up by 1% to 532,000 units. Astra's sales were 4% higher at 273,000 units (market share up from 50% to 51%):
 - launch of six new models and five revamped models
- Wholesale 2W market down by 7% to 3.0m units. Astra Honda Motor's sales were 1% higher at 2.2m units (market share up from 67% to 73%):
 - launch of three new models and seven revamped models
- Astra Otoparts' net income little changed at US\$11m, with increased revenue largely offset by higher operating costs and a foreign exchange translation loss in its associated companies
- Amount financed through automotive-focused consumer finance operations increased by 13% to US\$2.7bn. Amount financed through the heavy equipment-focused finance operations decreased by 11% to US\$140m

Astra – H1/2016 Review

- Permata Bank reported net loss of US\$62m (H1/2015: net income of US\$64m) due to significant increase in loan-loss provisions (NPLs rose to 4.6% from 2.7% at the end of 2015)
- Asuransi Astra Buana recorded 17% lower net income at US\$30m primarily due to reduced investment earnings
- United Tractors reported a 46% decline in net income to US\$138m, which reflected lower business volumes and the impact from the stronger rupiah on translation of its US dollar monetary assets
- Astra Agro Lestari reported net income up 78% to US\$59m, due to benefit of a stronger rupiah on translation of its US dollar monetary liabilities. Average CPO prices achieved were 4% lower at Rp7,342/kg, and CPO sales were 9% lower at 502,000 tonnes, while olein sales were 5% lower at 184,000 tonnes
- Net income from infrastructure, logistics and other businesses up by 156% to US\$13m, mainly due to higher earnings from its toll roads, used vehicles and logistics businesses
- Astra Graphia reported 3% decline in net income to US\$7m

Direct Motor Interests



Underlying Profit – Direct Motor Interests

	<u>H1/2016</u>	<u>H1/2015</u>	
	US\$m	US\$m	<i>Change</i>
Vietnam (Truong Hai Auto Corporation)	43.1	41.0	5%
Singapore Motors	21.6	19.3	12%
Malaysia (Cycle & Carriage Bintang)	4.3	4.6	-7%
Indonesia (Tunas Ridean)	9.3	4.2	121%
Myanmar (Cycle and Carriage Automobile Myanmar)	(0.1)	(0.2)	-50%
	<u>78.2</u>	<u>68.9</u>	13%

Truong Hai Auto Corporation (“Thaco”)

– H1/2016 Review

- Thaco’s earnings increased due to higher unit sales, although margins declined due to competitive pressures
- The vehicle market grew by 33% to 159,000 units, while Thaco’s overall sales rose 53% to 52,000 units, increasing its market-leading share from 28% to 32%
- Thaco’s passenger car sales grew 64% to 27,000 units and its commercial vehicle sales increased 43% to 25,000 units



Singapore Motors – H1/2016 Review

- Contribution was up 12%, benefiting from increase in sales of passenger cars and used cars
- PC market grew strongly by 68% to 43,423 units
- PC sales were up by 34% to 6,073 units, while market share declined 4%, from 18% to 14%
 - Mercedes-Benz unit sales grew by 7%
 - Kia unit sales grew by 57%
 - Mitsubishi unit sales more than doubled
 - Citroen unit sales grew by 52%



Cycle & Carriage Bintang

– H1/2016 Review

- Cycle & Carriage Bintang's contribution was slightly lower as an increase in unit sales was offset by lower margins due to changes in sales mix and the effect of the weaker ringgit when translated to US dollars on consolidation (ringgit depreciated 21% YOY)
- While unit sales were up by 14%, higher numbers of C-Class and E-Class petrol-engine run out models which had lower margins, meant net profit increased only marginally. Sales in 2015 had benefited from the higher margin E-Class and S-Class hybrid models
- After-sales division performed satisfactorily
- Commenced on a new phase of significant investments in upgrading its facilities. Petaling Jaya and Georgetown's facility upgrades were completed, while the showroom at Jalan Tun Razak in KL has been relocated to improved premises in the same area



Tunas Ridean – H1/2016 Review

- Tunas Ridean's contribution was up due to improved profits from motor vehicles and its 49%-owned associate, Mandiri Tunas Finance ("MTF")
- 4W sales up 6% to 25,088 units, which also saw improved margins from the new models. 2W sales stable at 100,663 units
- Improved MTF profit due to higher net interest and fee income earned from a growing loan portfolio. New lending volume increased by 24% to Rp9.7tn (US\$722m)



Other Interests



Underlying Profit – Other Interests

	<u>H1/2016</u>	<u>H1/2015</u>	
	US\$m	US\$m	<i>Change</i>
Other Interests	<u>15.3</u>	<u>11.9</u>	29%

- Contribution from other interests rose 29% mainly due to the incorporation of first half results of SCCC, compared to second quarter results in 2015, following the completion of our shareholding interest in April of that year
- SCCC announced a profit equivalent to US\$73m for the first six months, down 8% in its reporting currency due to reduced domestic cement prices and lower sales volumes, partly offset by lower energy costs
- As REE has yet to announce its second quarter results, its contribution is based on its first quarter performance, which was down due to lower contributions from power and water utility activities. REE's second quarter results are not expected to have a material impact to the Group and will be accounted for in the third quarter

Outlook

“The challenges affecting Astra’s businesses in the first half are likely to persist for the remainder of the year, although steady performances are expected from its consumer finance and automotive operations. Elsewhere, it is anticipated that competitive pressures will continue to affect the Group’s Direct Motor Interests and Other Interests.”

Ben Keswick, Chairman

29th July 2016