

AKR NEWS RELEASE



For Immediate Release

August 31, 2018

AKRA inducted to MSCI Small Cap Index

Jakarta - Shares of PT AKR Corporindo Tbk ("AKRA"), Indonesia's leading private sector distributor of petroleum and basic chemicals and provider of logistic services and supply chain solutions, have been inducted to MSCI Small Cap Index and will be effective as of 1 September 2018. Earlier, AKRA was included in the Global Standard Index.

The changes looked primarily due to market cap consideration as AKRA's market cap now is more in line with the average market cap of constituents in the small cap index (USD1,485 mn). We believe that movement in share price today is due to the realignment. There is no significant news or development in AKRA which is negative.

We have delivered net profit with CAGR 20% at ROE over 16% in the last ten years. In 1H18, we recorded sales growth of 22% y/y and net profit growth of 90% y/y to Rp11,214 bn and Rp1,121 bn, respectively. Our net gearing is at low 0.18x with cash position of almost Rp2 tn.

Our fundamentals remain solid with attractive growth outlook, especially after the portfolio reallocation of our business recently. Post divestment of our China assets, management is now focused to develop business within our core areas of logistic supply chain and infrastructure in Indonesia.

We see demand on petroleum and basic chemicals in our trading & distribution segment improve as higher commodity prices boost mining activities and the economy in general. Our petroleum volume has increased by 9% y/y to more than 1.1m KL in 1H18 and ASP of basic chemicals rose by 29% in the last six months. Our JV with BP on the retail segment is also progressing well with more than 14 locations have been secured and 4 sites are already in the stage of civil works. We expect construction of our first gas station under BP-AKR brand to complete by October this year. The JV will sell non-subsidized high octane gasoline, the fastest growing segment in Indonesia, in three major cities in Java: Jakarta, Surabaya and Bandung.

With regards to divestment of Khalista assets (sorbitol manufacturing) in China, we have also received the full compensation amount of RMB 838.52 mn with the second installment of RMB 365.47 mn just received by Khalista today.

Management is committed to provide optimum return to our shareholders, hence distributed FY17 final dividend with total Rp 200 per share in May and interim dividend of Rp120 per share on 3 August 2018.

Investor Relations
PT AKR Corporindo Tbk

The press release can also be downloaded from our company's website at <http://www.akr.co.id/>

About PT AKR Corporindo Tbk

PT AKR Corporindo Tbk (the Company) was formally established in Surabaya in 1977 and was listed on the Indonesian Stock Exchange in 1994. The Company is Indonesia's leading integrated supply chain solutions provider and largest private sector distributor of petroleum and basic chemicals. The Company is also the first national private company assigned by the Government of Indonesia to distribute subsidized petroleum in Indonesia. The Company is a renowned provider of logistics and infrastructure in Indonesia with areas of operations encompassing Indonesia and China. Through a number of subsidiaries it governs, the Company also operates in logistic services, manufacturing and coal mining and trading.

MSCI Global Standard Index

MSCI Global Standard Index is designed and used as the benchmark index by which the performance of global equity portfolios are measured. The index is based on the MSCI Global Investable Indexes (GIMI) Methodology — a comprehensive and consistent approach to index construction that allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. This methodology aims to provide exhaustive coverage of the relevant investment opportunity set with a strong emphasis on index liquidity, investability and replicability. The index is reviewed quarterly—in February, May, August and November—with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. During the May and November semi-annual index reviews, the index is rebalanced and the large and mid-capitalization cutoff points are recalculated.

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