

MORNING HIGHLIGHT

FROM RESEARCH

Retail Sector: Let's shop (OVERWEIGHT)

According to the latest news, the Finance Minister has signed a revised Regulation of the Ministry of Finance (PMK) No. 130/PMK.011/2013 regarding the luxury tax (PPnBM). The changes include the removal of some types of taxable goods previously classified as luxury goods. We view that the revision will have a positive impact on retailers, especially those which target the middle-up income segment. Of the retailers under our coverage, the biggest beneficiary should be MAPI. We maintain our OVERWEIGHT call on the sector, with Target Prices of Rp780 for ACES (BUY), Rp6,525 for MAPI (BUY), and Rp660 for RALS (SELL).

Bukit Asam: Operation of port expansion to increase capacity further (PTBA IJ. Rp 9,100. BUY. TP Rp 13,500)

We visited the Tarahan coal port in Lampung after it had been inaugurated by the Ministry of Transportation the day before. This makes it the largest coal terminal in Sumatra and Indonesia as the new jetty, which can accommodate giant vessels of up to 205,000 DWT, will increase the annual throughput capacity to 25.0mn tons from 12.5mn tons previously. We also believe that the commercial operation of the Tarahan port expansion will support the company's plans to increase its coal production by 3-year CAGR of 11% in 2014 – 2017. While we remain Neutral on the Indonesian coal sector, PTBA remains our top pick in the sector. Maintain BUY with a Target Price of Rp13,500 based on DCF valuation (WACC: 13.2% and long-term growth of 3%). Our Target Price implies 16.8x 2015F PE.

Previous Reports:

- Waskita Karya: On higher ground - [Snapshot20150611](#)
- Market outlook: Finding value - [Snapshot20150610](#)
- Weekly Report: Not out of the woods yet - [Snapshot20150609](#)
- Mitra Adi Perkasa: Still in Style - [Snapshot20150608](#)

MARKET NEWS

*Analysts' comment inside

- Gempol-Pandaan Toll Road Inaugurated Today (ID)
- BBTN Reviewing to Cut Loan Rate (BI)
- Indonesia to Unleash Loan as Micro Lending Rates Cut (TJP)
- Merdeka Copper and Gold IPO on June 19, Seeking Up to US\$100mn in Loan Afterwards (TJP)
- Surge in Export Put Tins Price Under Pressure (BI)
- TBIG Signs Hedging Facility of US\$975mn (TJP)

IDX ANNOUNCEMENT

Cash Announcement

Code	Ex-Date	Date Payable	Amount (Rp)
INTP	22-May-15	17-June-15	1350
KLBF	26-May-15	17-June-15	19

Source: KSEI

Key Index

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	4,929	(0.1)	(5.7)	268
Thailand	1,515	0.7	1.1	1,483
Philippines	7,504	1.6	3.8	164
Malaysia	1,735	(0.1)	(1.5)	414
Singapore	3,348	0.7	(0.5)	972
Regional				
China	5,122	0.3	58.3	-
Hong Kong	26,908	0.8	14.0	16,297
Japan	20,383	1.7	16.8	13,831
Korea	2,075	0.9	8.3	5,628
Taiwan	9,302	0.0	(0.1)	3,135
India	26,371	(1.7)	(4.1)	392
NASDAQ	5,083	0.1	7.3	65,686
Dow Jones	18,039	0.2	1.2	7,490

Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah (Rp/1US\$)	13,322	(0.3)	(1.3)	(7.5)
SBI rate (%)	6.67	(0.3)	(0.3)	(0.6)
10y Gov Indo bond	8.76	0.2	0.5	1.0

Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	57	n/a	(4.9)	(20.5)
Gold	US\$/toz	1,182	(0.0)	(1.0)	(0.3)
Nickel	US\$/mt.ton	13,268	(2.2)	(6.8)	(12.0)
Tin	US\$/mt.ton	14,874	(3.1)	(5.7)	(23.5)

Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	3,180	0.7	6.1	7.0
Corn	US\$/mt.ton	132	(0.4)	(2.0)	(7.6)
Crude Oil	US\$/barrel	65	(0.4)	(3.0)	13.2
Palm oil	MYR/mt.ton	2,285	(0.2)	6.4	(0.5)
Rubber	US\$/kg	162	0.7	5.6	6.5
Pulp	US\$/tonne	851	n/a	(0.5)	(8.7)
Coffee	US\$/60kgbag	93	(0.1)	3.4	9.6
Sugar	US\$/MT	345	(1.3)	(10.0)	(11.9)
Wheat	US\$/mt.ton	185	(0.0)	4.9	(15.6)

Source: Bloomberg

PT Danareksa Sekuritas

Jl. Medan Merdeka Selatan No. 14
Jakarta 10110
Indonesia
Tel (62 21) 29 555 888
Fax (62 21) 350 1709

Equity Research Team

Agriculture	Helmy Kristanto	helmyk@danareksa.com	(62-21) 2955 824
Automotive	Helmy Kristanto	helmyk@danareksa.com	(62-21) 2955 824
Auto Component	Joko Sogie	jokos@danareksa.com	(62-21) 29555 888 ext.3512
Banking	Eka Savitri	ekas@danareksa.com	(62-21) 29555 888 ext.3509
Cement	Helmy Kristanto	helmyk@danareksa.com	(62-21) 2955 824
Coal	Stefanus Darmagiri	stefanus.darmagiri@danareksa.com	(62-21) 29555 888 ext.3530
Construction	Joko Sogie	jokos@danareksa.com	(62-21) 29555 888 ext.3512
Consumer	Jennifer Frederika Yapply	jennifer.yapply@danareksa.com	(62-21) 29555 888 ext.3508
Heavy Equipment	Stefanus Darmagiri	stefanus.darmagiri@danareksa.com	(62-21) 29555 888 ext.3530
Media	Lucky Ariesandi, CFA	lucky.ariesandi@danareksa.com	(62-21) 29555 888 ext.3520
Metal Mining	Stefanus Darmagiri	stefanus.darmagiri@danareksa.com	(62-21) 29555 888 ext.3530
Pharmaceutical	Armando Marulitua	arandom@danareksa.com	(62-21) 29555 888 ext.3503
Property	Anindya Saraswati	anindyas@danareksa.com	(62-21) 29555 888 ext.3506
Retail	Anindya Saraswati	anindyas@danareksa.com	(62-21) 29555 888 ext.3506
Strategy	Helmy Kristanto	helmyk@danareksa.com	(62-21) 2955 824
Telecommunication	Lucky Ariesandi, CFA	lucky.ariesandi@danareksa.com	(62-21) 29555 888 ext.3520
Transportation	Joko Sogie	jokos@danareksa.com	(62-21) 29555 888 ext.3512
Utilities	Lucky Ariesandi, CFA	lucky.ariesandi@danareksa.com	(62-21) 29555 888 ext.3520
Research Associate	Puti Adani	putia@danareksa.com	(62-21) 29555 888 ext.3511

Sales team

Ermawati A. Erman	ermawatiae@danareksa.com	(62 21) 29555 888 ext. 3151
Asfarita Andalusia	asfarita@danareksa.com	(62 21) 29555 888 ext. 3134
Novrita E. Putrianti	novrita@danareksa.com	(62 21) 29555 888 ext. 3128
Ehrlich Suhartono	ehrliech@danareksa.com	(62 21) 29555 888 ext. 3132
Yunita L. Nababan	yunita@danareksa.com	(62 21) 29555 888 ext. 3145
Bram Taarea	bramt@danareksa.com	(62 21) 29555 888 ext. 3127
Martin Joshua	martinjs@danareksa.com	(62 21) 29555 888 ext. 3126
Laksmi Armandani	laksmitaa@danareksa.com	(62 21) 29555 888 ext. 3125
Muhammad Hardiansyah	mhardiansyah@danareksa.com	(62 21) 29555 888 ext. 3109
Tuty Sutopo	tuty@danareksa.com	(62 21) 29555 888 ext. 3121
Upik Yuzarni	upik_y@danareksa.com	(62 21) 29555 888 ext. 3137

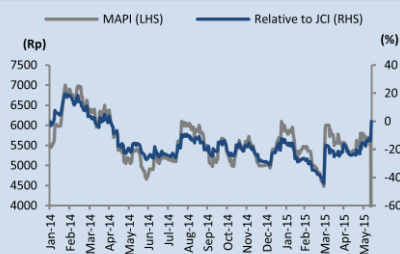
Friday, 12 June 2015

OVERWEIGHT

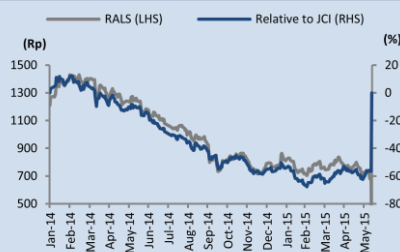
ACES relative to JCI Index



MAPI relative to JCI Index



RALS relative to JCI Index



Anindya Saraswati
(62-21) 2955 820
anindyas@danareksa.com

Retail Sector

ALERT!

Let's shop

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Government to revise the luxury tax regulation

The MoF has signed the revised Regulation of the Ministry of Finance (PMK) No. 130/PMK.011/2013 concerning the luxury tax, according to the latest news. Some items will no longer be classified as taxable luxury items, including:

- 1) Electronic equipment: refrigerators, TVs, water heaters, video recorders, microwave ovens, washing machines, car air conditioners, photographic tools and projectors
- 2) Sports equipment: fishing, golf, diving, surfing, and shooting equipment
- 3) Musical instruments: pianos and electronic music instruments
- 4) Branded goods: perfumes, handbags, clothes, watches, saddles, articles of precious metals, and footwear
- 5) Home and office appliances: rugs, chairs, furniture, lamps, porcelain, and tiles

According to the news, the MoF has already signed the revised regulation, which currently needs a one or two days administrative process in the Ministry of Justice and Human Rights. The revised regulation is expected to come into effect next week.

Positive for the high-end retailers

The revision of the luxury tax regulation - which includes the removal of some types of taxable goods previously classified as luxury goods - will have a positive impact on high-end retailers, we believe. Overall, the purchasing power of consumers should receive a timely boost amidst the current economic slowdown. The retailers to benefit the most are those targeting the middle and middle up income segments, including electronics retailers and department stores. For the retailers under our coverage, we believe that MAPI should be the biggest beneficiary. MAPI currently has around 150 brands in its portfolio, some of which will benefit from this new regulation, including MaxMara, Zara home, MAX&Co., Tumi, Samsonite, as well as its sports brands and department store brands.

Maintaining our OVERWEIGHT call on the retail sector

Although the current economic climate remains challenging, this relaxation of the luxury tax regulation should act as a positive catalyst to the retail sector. The main risks going forward are a possible further slowdown in the economy and continued rupiah depreciation. We maintain our **OVERWEIGHT** call on the sector.

Company	Recom.	Current price Rp	Target Price Rp	PE, x 2015F	EV/EBITDA, x 2015F	EPS CAGR FY14-16, %	ROE, % 2015F	Net gearing, % 2015F
Sector								
Average				24.0	10.0	49.9	13.2	
ACES	BUY	645	780	19.7	13.0	7.2	21.7	Net Cash
MAPI	BUY	5,575	6,525	32.3	9.6	157.7	10.7	111.8
RALS	SELL	690	660	20.1	7.3	(15.2)	7.2	Net Cash

Danareksa research reports are also available at Reuters Mulfex and First Call Direct and Bloomberg.

Exhibit 1. Regulation of the Ministry of Finance (PMK) No. 130/PMK.011/2013

Description		Price Range (IDR mn)	Denomination
Tax Rate = 10%			
A	Household appliance group		
1	Refrigerator		
a	Refrigerator-freezer combined with external doors separated from household types. Capacity >180L	10 < P ≤15	Unit
b	Household types. Capacity >180L	10 < P ≤15	Unit
2	Water heater with storage, non electric, for household needs.	5 < P	Unit
3	Washing machine for household, electric, with dry linen capacity > 10Kg.	5 < P	Unit
4	Water heater with storage, aside of immersion heater, electric, heater apparatus, and electric soil heater apparatus, for household.	5 < P	Unit
5	Colored monitor and TV	10 < P ≤15	Unit
a	Colored monitor 17 < x ≤ 43 inch		
b	Colored TV >40 inch		
B	Sport equipment		
1	Fishing equipment	2.5 ≤ P	Unit
a	Fishing rod		
b	Fishing rope roller		
C	Air conditioner, window or wall type, with cooling capacity 1 PK (0.746 Kw) < x < 2 PK (1,492 Kw)	8 < P	Unit
D	Recorder or image reproduction, radio-broadcasting receiver group		
1	Recorder or video reproduction apparatus	5 < P	Unit
2	Radio broadcasting receiver apparatus	5 < P	Unit
E	Photography, cinematography equipments group		
1	Video recorder camera	10 < P	Unit
2	Photography camera	10 < P	Unit
a	Instant printing camera		
b	Other		
Tax Rate = 20%			
A	Household appliance group		
1	Stove, Furnace, Grills, from iron/ steel	5 < P	Unit
a	Cookware and heating plates except with liquid fuel		
b	Other utensils with liquid fuel		
2	Refrigerator		
a	Combination of refrigerator-freezer, with separated external doors. Capacity > 180 L	15 < P	Unit
b	Household types. Capacity <180L	15 < P	Unit
B	Luxury residences		
1	House and Town house. Non strata title. Area ≥350m ²		
2	Apartment, condominium, townhouse. Strata title. Area ≥150m ²		
C	TV broadcasting receiver and antenna (include antenna reflector)		
1	Colored monitor and TV	15 < P	Unit
a	Colored monitor 17 < x ≤ 43 inch		
b	Colored TV >40 inch		
2	Projector	10 < P	Unit
D	Air conditioner, dish washer, drying machine, electromagnetic plane and music instrument		
1	Air regulator machine		
a	Window or wall machine with cooling capacity 2PK (1,492 Kw) < x ≤ 3 PK (2,238 Kw)	10 < P	Unit
b	Type used for people, inside motor vehicle	20 < P	Unit
2	Dish washer	5 < P	Unit
3	Drying machine with dry line capacity ≤ 10kg for household	5 < P	Unit
4	Microwave oven for household	15 < P	Unit
5	Piano; Automatic piano, harpsichord, keyboard instrument		
6	Music Intrument		
E	Parfume, retail sale	≥ IDR 20,000	ml

Tax Rate = 30%

- A Boat or other water transportation, except used for national needs or public transportation. Water transportation for pleasure or sports, except Yacht and motor boat
- 1 Inflatable
 - 2 Other
 - a Sailboat
 - b Boat, Canoe, non-motor type
- B Sport equipment
- 1 Golf equipment
 - a Golf ball
 - b Golf equipment except golf sticks
 - 2 Diving equipment
 - a Wet suit
 - b Protective goggles for diving
 - 3 Water ski, surfing board, sail board, sail surfing board, other

Tax Rate = 40%

- A Goods from leather or artificial leather
- 1 Saddlery and harness for animal 5 ≤ P Unit
 - 2 Box, suitcase, bags 5 ≤ P Unit
 - 3 Clothes and accessories from leather/ leather composition. 6 ≤ P Pair
3 ≤ P Piece
 - 4 Clothes and accessories from peltry. 6 ≤ P Pair
3 ≤ P Piece
- B Tapestry from silk or wool
- C Glassware from lead crystal
- D Goods fully/ half made by precious metal/ covered with precious metal
- 1 Wristwatch, pocket watch, timer and other type of watch from/ covered with precious metal 40 ≤ P Unit
 - 2 Clock, except watch and timer, from/ covered with precious metal
 - 3 Goods fully/ half made from gold/ white gold/ other combination, except jewelry
- E Motor boat for pleasure and sport
- F Air balloon and piloted air balloon, air transportation without rudder
- G Firearms
- H Footwear 5 ≤ P Pair
- I Home or office furniture
- 1 Chair 5 ≤ P Unit
 - 2 Other furniture 10 ≤ P Unit
 - 3 Mattress and bedding
 - a Mattress pads 2 ≤ P m2 per Unit
 - b Mattress 5 ≤ P m2 per Unit
 - c Sleeping bag 5 ≤ P Unit
 - d Bedding 1 ≤ P Unit
 - 4 Lamp or other lighting 10 ≤ P Unit
 - a Electric lamp
 - b Non-electric lamp
- J Goods from porcelain, china clay or ceramic
- a Sanitary fittings from ceramic 10 ≤ P Unit
 - b Sculpture or other ceramic ornamental goods 5 ≤ P Unit
- K Goods from stone except stone road or curbstone
- a Tile, stone monument, other 2 ≤ P m2
5 ≤ P m3

Tax Rate = 50%

- A Tapestry from fur
- B Air transportation, except for national needs or public transport
 - a Helicopter
 - b Aircraft, and other air transportation
- C Sports equipment
 - a Golf sticks
- D Firearm
 - a Artillery
 - b Revolver and gun
 - c Firearm operated by firing explosives

Tax Rate = 75%

- A Goods fully/half made by precious stone and/or pearl/ combination
 - a Natural/ cultured pearl
 - b Precious stone/ Semi precious stone
- B Luxury Yacht
 - 1 Cruise ships, excursion boats, ferry boat and the like that transport people
 - 2 Yacht

MINING/COMPANY UPDATE

BUY

Target Price, Rp 13,500

Upside 48.4%

PTBA IJ/PTBA.JK

Last Price, Rp 9,100

No. of shares (bn) 2.3

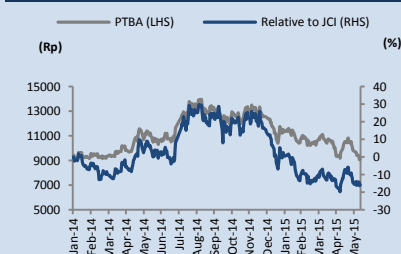
Market Cap, Rpbn 20,968

(US\$ mn) 1,574

3M T/O, US\$mn 1.52

Last Recommendation

30-Apr-15	BUY	Rp13,500
06-Apr-15	BUY	Rp13,500
04-Mar-15	BUY	Rp15,500

PTBA relative to JCI Index**Market Recommendation**

Buy	11
Hold	11
Sell	4

Consensus

	Our	Cons	% Diff
Target Price, IDR	13,500	10,633	27
EPS 2015F, IDR	803	725	11
PE 2015F, x	11.3	12.6	-10

**Stefanus Darmagiri**

(62-21) 2955 5777 ext 3530

stefanus.darmagiri@danareksa.com

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Bukit Asam**Operation of port expansion to increase capacity further**

We visited the Tarahan coal port in Lampung after it had been inaugurated by the Ministry of Transportation the day before. This makes it the largest coal terminal in Sumatra and Indonesia as the new jetty, which can accommodate giant vessels of up to 205,000 DWT, will increase the annual throughput capacity to 25.0mn tons from 12.5mn tons previously. We also believe that the commercial operation of the Tarahan port expansion will support the company's plans to increase its coal production by 3-year CAGR of 11% in 2014 – 2017. While we remain Neutral on the Indonesian coal sector, PTBA remains our top pick in the sector. Maintain BUY with a Target Price of Rp13,500 based on DCF valuation (WACC: 13.2% and long-term growth of 3%). Our Target Price implies 16.8x 2015F PE.

Operation of Tarahan Coal Port expansion...

Located in Lampung at the southern tip of Sumatra, the Tarahan port expansion includes a new ship-loader jetty to accommodate giant vessels of up to 205,000 DWT, rotary car dumpers (RCD) #3 and 4, and stockpile #4 with capacity of 2x150,000 tons. Involving a total investment of US\$173mn, the Tarahan port will be the largest coal terminal in Sumatra and Indonesia. Most of PTBA's coal from the Tanjung Enim mining area is distributed to the Tarahan port by way of the existing 410km single-track railway with crossing sections. In 2014, the coal transported by railway from Tanjung Enim to Tarahan amounted to about 85% of the total coal transported, while the remaining 15% was transported to Kertapati in South Sumatra.

...to double the coal capacity and to improve efficiency

During our visit, we also had the opportunity to see the coal loading process into giant vessels that can transport 160,000 tons of coal. Supported by ship loaders with capacity of 6,000 tons per hour, the new port facility will hasten the loading process and therefore also improve the efficiency of coal transportation. As such, following the operation of the new port expansion, the annual capacity of the Tarahan port will increase to 25.0mn tons from 12.5mn tons previously. The management has indicated that the coal distributed from the Tarahan port is expected to increase to 17mn tons in 2015 from 13mn tons in the previous year.

Expecting a boost in coal production on infrastructure expansion

We believe the operation of the Tarahan port expansion will help support the company's goal of raising coal production going forward. Coupled with further improvements in railway capacity by 28% yoy in 2015 after the arrival of five new locomotives and 600 new wagons in 2Q14 in addition to completion of double-track railway from Tanjung Enim to Prabumulih, the management has suggested that coal production will increase by 27% yoy in 2015. In our estimate, we conservatively assume coal production growth of only 9% yoy to 18 mn tons in 2015.

	2013	2014	2015F	2016F	2017F
Revenue, Rp bn	11,209	13,078	13,851	15,278	17,099
EBITDA, Rp bn	2,285	2,597	2,367	2,797	3,286
EBITDA Growth, %	-38.1	13.7	-8.9	18.2	17.5
Net profit, Rp bn	1,826	2,016	1,746	1,939	2,215
EPS, Rp	840	927	803	892	1,019
EPS growth, %	-37.0	10.4	-13.4	11.1	14.2
BVPS, Rp	3,421	3,934	4,227	4,678	5,206
DPS, Rp	692	436	481	417	463
Net Gearing, %	-43.9	-32.1	-17.3	-10.7	-7.1
PER, x	10.8	9.8	11.3	10.2	8.9
PBV, x	2.7	2.3	2.2	1.9	1.7
EV/EBITDA, x	7.7	7.0	8.2	7.1	6.1
Yield, %	7.6	4.8	5.3	4.6	5.1

Exhibit 1. Tarahan port facilities supported by 2x8 MW coal based power plant



Source: Danareksa Sekuritas

Exhibit 2. New RCD facilities and coal loading process into “Capesize” vessel at new jetty



Source: Danareksa Sekuritas

Exhibit 3. Profit and Loss, Rpbn

Year end 31 Dec, Rp bn	2013A	2014A	2015F	2016F	2017F
Turnover	11,209	13,078	13,851	15,278	17,099
COGS	(7,746)	(9,056)	(9,996)	(10,949)	(12,150)
Gross profit	3,464	4,022	3,855	4,330	4,949
Operating expenses	(1,311)	(1,712)	(1,726)	(1,865)	(2,086)
Operating profit	2,153	2,310	2,129	2,464	2,863
Other income/expenses	75	146	146	146	146
Net interest	558	453	318	126	29
Pre-tax profit	2,785	2,908	2,593	2,736	3,038
Taxes	(607)	(656)	(594)	(659)	(753)
Minority interest	(28)	(3)	(35)	(38)	(43)
Net profit	1,826	2,016	1,746	1,939	2,215

Source: Company, Danareksa Sekuritas

Exhibit 4. Balance Sheet, Rpbn

Year end 31 Dec, Rp bn	2013A	2014A	2015F	2016F	2017F
Cash	3,344	4,039	2,587	2,092	1,808
Account Receivables	1,428	1,439	1,764	1,946	2,178
Inventories	902	1,033	1,164	1,275	1,415
Other current assets	806	905	814	733	733
Total current assets	6,480	7,417	6,330	6,046	6,133
Fixed assets	2,803	3,988	5,663	7,168	8,507
Other noncurrent assets	2,394	3,408	3,503	3,604	3,711
Total assets	11,677	14,812	15,496	16,819	18,352
Account payable	472	546	609	667	740
Short term debt	78	1,294	1,000	1,000	1,000
Other current liabilities	1,711	1,735	1,817	1,904	1,995
Total current liabilities	2,261	3,574	3,426	3,571	3,735
Long term debt	0	962	962	962	962
Other noncurrent liabilities	1,865	1,605	1,766	1,926	2,103
Total noncurrent liabilities	1,865	2,567	2,728	2,888	3,064
Minority interest	114	117	152	190	233
Share capital	1,152	1,152	1,152	1,152	1,152
Excess paid in	30	30	30	30	30
Retained earnings & others	8,094	9,205	9,842	10,821	11,970
Total equity	7,437	8,554	9,191	10,170	11,318
Total equity & liabilities	11,677	14,812	15,496	16,819	18,352

Source: Company, Danareksa Sekuritas

Exhibit 5. Cash Flow, Rpbn

Year end 31 Dec, Rp bn	2013A	2014A	2015F	2016F	2017F
Net income	1,826	2,016	1,746	1,939	2,215
Depreciation and amortisation	132	287	237	332	423
Change in working capital	156	1,072	(513)	(67)	(207)
Others	(62)	(1,398)	(115)	(120)	(126)
Operating cash flow	2,051	1,976	1,355	2,084	2,305
Capex	(1,242)	(1,620)	(1,894)	(1,818)	(1,742)
Net acquisitions	48	(130)	0	0	0
Others	(130)	(285)	0	0	0
Investing cash flow	(1,324)	(2,035)	(1,894)	(1,818)	(1,742)
Dividends	(1,595)	(1,004)	(1,109)	(960)	(1,067)
Net change in debt	0	1,749	0	0	0
Others	(1,708)	(8)	195	199	219
Financing cash flow	(3,304)	737	(914)	(761)	(847)
Net change in cash	(2,576)	678	(1,452)	(495)	(284)
Net cash (debt) at beg.	5,917	3,344	4,039	2,587	2,092
Net cash (debt) at end.	3,344	4,039	2,587	2,092	1,808

Source: Company, Danareksa Sekuritas

Exhibit 6. Key Ratios

	2013A	2014A	2015F	2016F	2017F
Gross margin, %	30.9	30.8	27.8	28.3	28.9
Operating margin, %	19.2	17.7	15.4	16.1	16.7
EBITDA margin, %	20.4	19.9	17.1	18.3	19.2
Net margin, %	16.3	15.4	12.6	12.7	13.0
ROA, %	15.0	15.2	11.5	12.0	12.6
ROE, %	23.0	25.2	19.7	20.0	20.6
Net gearing, %	-43.9	-32.1	-17.3	-10.7	-7.1

Source: Company, Danareksa Sekuritas

MARKET NEWS

Gempol-Pandaan Toll Road Inaugurated Today (ID)

President Joko Widodo will inaugurate the operation of 13.6km Gempol-Pandaan toll road today. This section will help shorten the travel time between Surabaya-Malang in East Java. The toll road will be connected with the under-construction Pandaan-Malang toll road which is currently still in the stage of land acquisition. In addition, this segment will also be connected with Gempol-Pasuruan toll road in the east and Porong-Gempol toll road in the north. For the initial stage, the toll tariff for class I is set at Rp818/km.

Comment: The Gempol-Pandaan toll road is one of JSMR's three new sections for this year, which should be completed in late-2014. For the initial stage, JSMR set a traffic target between 18-20k/day. Nevertheless, this section will only contribute a small impact to JSMR's consolidated revenues (<1%). During the first years operation, the revenue contribution from this section is less than Rp100bn p.a. (Joko)

BBTN Reviewing to Cut Loan Rate (BI)

Several banks have started to plan on cutting lending rate, should BI rate and Fed rate do not increase. One of the banks that plan for this is Bank Tabungan Negara (BBTN). According to Maryono, President Director of BBTN, his bank is reviewing the plan to cut rate, but do not know yet to what extent the cut will be. He also has not disclosed which loan segment rate will be trimmed.

Indonesia to Unleash Loan as Micro Lending Rates Cut (TJP)

In an attempt to revive the economy, Indonesia wants to unleash Rp30tn (US\$2.3bn) of new loans for small businesses and halve some bank micro lending rates. According to Gatot Trihargo, deputy at State Owned Enterprises Ministry, the government has asked state owned lenders to cut lending rates for KUR, although the exact rate has yet to be disclosed.

Merdeka Copper and Gold IPO on June 19, Seeking Up to US\$100mn in Loan Afterwards (TJP)

Merdeka Copper and Gold is seeking to obtain bank loans of up to US\$100mn to fund its production preparations, as the next financing step after its IPO. According to Ellie Turjandi, Merdeka Copper and Gold's Head of Finance and Corporate Secretary, the company decided to trim the number of shares for the IPO, to 419.65mn shares to be sold to public. The company has also decided to go with Rp2,000/share pricing, pocketing Rp839.3bn from the IPO. The share is scheduled for listing on June 19.

Surge in Export Put Tins Price Under Pressure (BI)

Timah Indonesia's (TINS) export volume surge by 23,49% in May compared with the previous month, is deemed to contribute to recently lower tins prices in the international market. According to TINS, exports increased by 6,262.75 tons in May, is way above the export volume threshold agreement of 4,000 tons. The price of tin is now back down in the range of USD15,000-USD16,000 / ton.

TBIG Signs Hedging Facility of US\$975mn (TJP)

In order to mitigate the effect of exchange rate volatility, Tower Bersama Infrastructure (TBIG) has signed a corporate guarantee and indemnity agreement with ANZ Bank, for hedging facility worth around US\$975mn. The loan facilities are channeled to its subsidiaries. Under this agreement, the subsidiary group guarantees to pay compensation to ANZ if one of the subsidiaries fails to meet its obligation as stated in the agreement, and if the subsidiary group fails to meet each claim it has to pay for the hedge counterparty, its has to pay hedging premium and additional interest.



Equity Valuation

	Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Net profit, Rp bn		EPS (Rp)		EPS Growth		PER (x)		EV / EBITDA (x)		PBV (x)		Net Gearing	ROE
					2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016		
Danareksa Universe				2,857,278	197,711	225,489	328.3	374.4	11%	14%	14.5	12.7	12.6	11.4	2.6	2.3		19.0
Auto				294,100	24,660	29,165	451.7	534.3	15%	18%	11.9	10.1	9.6	8.3	2.1	1.8		18.6
Astra International	HOLD	6,950	8,300	281,361	23,976	28,096	592	694	16%	17%	11.7	10.0	9.8	8.4	2.1	1.8	33.5	19.1
Gajah Tunggal	BUY	995	1,500	3,467	266	633	76	182	-1%	139%	13.1	5.5	4.6	4.4	0.6	0.5	80.8	4.4
Selamat Sempurna	BUY	4,610	5,300	6,637	419	437	291	303	14%	4%	15.9	15.2	9.2	8.6	4.7	4.0	net cash	32.3
Banks				943,564	84,332	96,420	782.9	895.1	13%	14%	11.2	9.8	NA	NA	2.2	1.9		21.4
BCA	HOLD	13,350	14,050	329,144	19,127	21,921	767	879	15%	15%	17.4	15.2	NA	NA	3.5	2.9	NA	22.4
BNI	BUY	5,575	7,450	103,966	12,142	13,914	651	746	13%	15%	8.6	7.5	NA	NA	1.5	1.3	NA	19.1
BRI	BUY	10,125	13,800	249,775	27,391	31,497	1,110	1,277	13%	15%	9.1	7.9	NA	NA	2.1	1.7	NA	25.2
Bank Tabungan Negara	BUY	1,125	1,400	11,889	1,357	1,609	129	153	22%	19%	8.7	7.3	NA	NA	0.9	0.8	NA	10.6
Bank Mandiri	BUY	9,675	13,600	225,750	22,087	24,946	947	1,069	11%	13%	10.2	9.0	NA	NA	1.9	1.6	NA	19.8
Bank Tabungan Pensiunan	BUY	3,945	5,450	23,040	2,228	2,533	381	434	19%	14%	10.4	9.1	NA	NA	1.6	1.4	NA	17.2
Cement				163,121	12,525	15,375	725	890	7%	23%	13.0	10.6	7.9	6.9	2.5	2.2		20.0
Holcim	HOLD	1,515	2,300	11,609	923	1,213	120	158	12%	31%	12.6	9.6	6.7	5.2	1.1	1.0	30.0	9.1
Indocement	BUY	20,775	28,300	76,478	5,741	6,595	1,559	1,792	8%	15%	13.3	11.6	7.7	6.5	2.7	2.4	net cash	21.2
Semen Indonesia	BUY	12,650	18,800	75,034	5,861	7,567	988	1,276	5%	29%	12.8	9.9	8.3	7.8	2.8	2.4	12.3	23.2
Construction				106,694	4,577	5,552	120	145	24%	21%	23.3	19.2	11.4	9.7	3.6	3.1		16.7
Jasa Marga	BUY	6,325	8,200	43,010	1,600	1,877	422	547	25%	30%	15.0	11.6	14.6	13.1	3.4	3.1	116.4	13.4
Wijaya Karya	BUY	2,755	4,000	16,941	843	1,004	137	164	37%	19%	20.0	16.8	8.3	6.9	2.9	2.4	8.9	15.4
Pembangunan Perumahan	BUY	3,650	4,600	17,675	694	856	143	177	30%	23%	25.5	20.6	10.0	8.2	5.9	4.8	18.0	25.8
Adhi Karya	BUY	2,090	3,700	3,765	399	531	221	295	23%	33%	9.5	7.1	5.2	4.6	1.8	1.5	66.5	20.8
Waskita Karya	BUY	1,660	2,150	16,457	646	792	66	81	28%	23%	25.2	20.5	13.0	10.5	4.9	4.2	39.2	20.9
Wika Beton	HOLD	1,015	1,350	8,846	396	491	45	56	32%	24%	22.4	18.0	11.8	9.5	3.5	3.0	net cash	17.1
Consumer				456,604	13,686	15,530	498	565	9%	13%	33.4	29.4	19.9	18.0	8.8	8.0		27.8
Indofood CBP	HOLD	13,400	13,800	78,135	3,033	3,308	520	567	16%	9%	25.8	23.6	17.8	16.8	4.9	4.4	net cash	20.3
Indofood	BUY	6,650	8,050	58,390	3,811	4,287	434	488	-2%	12%	15.3	13.6	7.3	6.7	2.1	1.9	19.2	14.1
Unilever	SELL	40,650	30,000	310,160	6,365	7,332	834	961	11%	15%	48.7	42.3	34.0	29.8	57.6	51.5	net cash	129.7
Nippon Indosari Corpindo	HOLD	1,195	1,200	6,049	266	377	53	75	41%	42%	22.7	16.0	13.0	9.2	5.2	4.1	63.0	25.0
Mandom	BUY	19,250	19,300	3,871	210	226	1,045	1,126	8%	8%	18.4	17.1	9.9	9.2	2.7	2.4	2.6	15.3
Heavy Equipment				78,243	5,764	6,341	1,261	1,387	4%	10%	13.6	12.3	5.9	5.0	1.8	1.7		14.1
Hexindo Adiperkasa	HOLD	2,780	3,650	2,335	220	260	262	309	13%	18%	10.6	9.0	5.0	3.9	0.8	0.8	net cash	8.0
United Tractors	HOLD	20,350	22,200	75,908	5,544	6,081	1,486	1,630	3%	10%	13.7	12.5	5.9	5.1	1.9	1.7	net cash	14.5
Healthcare				100,813	2,633	3,039	49	57	11%	15%	38.3	33.2	22.9	19.1	7.0	6.2		19.3
Kalbe Farma	HOLD	1,685	1,900	78,985	2,273	2,593	48	55	9%	15%	35.1	30.6	23.0	19.7	7.4	6.5	net cash	22.7
Kimia Farma	BUY	990	1,500	5,498	258	313	47	56	12%	19%	21.1	17.7	14.3	11.5	2.7	2.4	2.3	13.5
Siloam Hospital	BUY	14,125	15,750	16,330	102	133	89	115	64%	30%	159.5	122.9	28.0	20.8	9.3	8.6	64.2	6.0
Mining				108,082	8,963	10,056	138	155	5%	12%	12.1	10.7	5.5	4.8	1.1	1.1		9.4
Adaro Energy	BUY	840	1,150	26,868	2,095	2,202	66	69	2%	5%	12.8	12.2	4.5	4.0	0.8	0.8	33.0	6.2
Timah	BUY	775	1,400	5,772	651	765	87	103	40%	18%	8.9	7.5	4.4	3.9	1.1	1.0	10.2	12.4
Vale Indonesia	BUY	2,965	4,200	29,461	2,375	2,566	239	258	17%	8%	12.4	11.5	5.6	4.9	1.3	1.3	2.6	11.0
Aneka Tambang	HOLD	755	1,100	7,202	194	400	20	42	-148%	106%	37.1	18.0	14.1	10.5	0.6	0.6	62.8	1.6
Bukit Asam	BUY	9,100	13,500	20,968	1,746	1,939	803	892	-13%	11%	11.3	10.2	8.2	7.1	2.3	2.1	net cash	19.7
Indo Tambangraya Megah	HOLD	13,000	16,000	14,689	1,782	1,982	1,577	1,755	-15%	11%	8.2	7.4	3.4	3.4	1.4	1.4	net cash	18.0
Harum Energy	HOLD	1,155	1,750	3,123	119	202	44	75	-53%	69%	26.2	15.5	2.0	1.5	0.8	0.8	net cash	3.1
Plantation				62,282	5,510	5,938	211	227	11%	8%	11.3	10.5	6.1	5.5	1.6	1.5		14.9
Astra Agro Lestari	BUY	23,725	27,100	37,361	2,770	2,832	1,759	1,798	4%	2%	13.5	13.2	8.1	7.6	3.2	2.9	net cash	24.5
Sampoerna Agro	BUY	1,795	2,600	3,393	464	550	245	291	18%	19%	7.3	6.2	4.8	4.1	1.0	0.9	31.8	14.5
PP London Sumatra	HOLD	1,695	2,090	11,565	1,055	1,133	155	166	8%	7%	11.0	10.2	5.6	4.8	1.5	1.3	net cash	13.9
Salim Ivomas Pratama	BUY	630	850	9,964	1,221	1,423	77	90	33%	17%	8.2	7.0	4.3	3.8	0.7	0.6	37.6	8.2
Property				79,338	5,943	6,634	80	89	-25%	12%	13.4	12.0	10.1	8.9	1.8	1.6		14.4
Alam Sutera	BUY	540	700	10,611	1,254	1,516	64	77	15%	21%	8.5	7.0	8.3	7.0	1.5	1.3	75.3	18.9
Bumi Serpong Damai	BUY	1,760	2,100	33,874	2,369	2,617	135	150	-36%	10%	13.0	11.8	11.4	10.0	2.2	2.0	net cash	16.6
Metropolitan Land	BUY	414	620	3,138	290	322	38	43	14%	11%	10.8	9.7	7.3	6.8	1.4	1.3	27.7	14.2
Surya Semesta Internusa	HOLD	1,100	1,040	5,176	464	415	99	88	32%	-11%	11.2	12.5	5.1	5.2	1.8	1.6	net cash	16.9
Lippo Karawaci	BUY	1,150	1,200	26,539	1,565	1,763	72	82	-38%	13%	15.9	14.1	12.1	10.3	1.7	1.5	29.1	10.1
Telco & Infrastructure				437,253	19,454	22,656	142	166	25%	16%	22.5	19.3	6.5	5.9	3.6	3.3		17.1
XL Axiata	BUY	4,000	4,710	34,166	356	680	42	80	-140%	91%	95.8	50.2	6.3	5.7	2.4	2.3	120.7	2.5
Indosat	BUY	3,800	4,200	20,649	312	588	57	108	-152%	89%	66.2	35.1	3.7	3.4	1.3	1.2	132.4	2.0
Telkom	HOLD	2,870	3,050	289,296	15,554	16,458	158	168	6%	6%	18.1	17.1	5.8	5.4	4.0	3.7	net cash	22.1
Sarana Menara Nusantara	BUY	4,000	4,525	40,812	1,702	2,121	167	208	35%	25%	24.0	19.2	12.0	10.2	6.3	5.0	107.9	29.8
Tower Bersama	HOLD	9,025	8,725	43,289	1,528	2,387	300	429	9%	43%	30.1	16.3	13.0	3.7	3.1	129.0	19.3	
MNC Sky Vision	HOLD	1,280	1,410	9,042	2	423	0											

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on					YTD, %	Rating
		11-Jun-2015	10-Jun-2015	Chg, %	w-w, %	m-m, %		
XL Axiata	EXCL	4,000	3,800	5.3	(9.6)	4.4	(17.8)	BUY
Vale Indonesia	INCO	2,965	2,825	5.0	(3.9)	(10.2)	(18.2)	BUY
Indosat	ISAT	3,800	3,680	3.3	5.3	(2.2)	(6.2)	BUY
Jasa Marga	JSMR	6,325	6,150	2.8	(2.3)	(0.8)	(10.3)	BUY
Aneka Tambang	ANTM	755	735	2.7	-	(6.8)	(29.1)	HOLD
Ace Hardware	ACES	645	630	2.4	(4.4)	(5.8)	(17.8)	BUY
Tower Bersama	TBIG	9,025	8,850	2.0	(1.6)	(0.3)	(7.0)	HOLD
Indofood CBP	ICBP	13,400	13,175	1.7	(2.0)	(2.0)	2.3	HOLD
Salim Ivomas Pratama	SIMP	630	620	1.6	(4.5)	(9.4)	(10.6)	BUY
Astra International	ASII	6,950	6,850	1.5	(1.1)	(5.8)	(6.4)	HOLD

Sources: Bloomberg

LAGGARDS

	Code	Price as on					YTD, %	Rating
		11-Jun-2015	10-Jun-2015	Chg, %	w-w, %	m-m, %		
Adhi Karya	ADHI	2,090	2,165	(3.5)	(14.3)	(26.1)	(39.9)	BUY
United Tractors	UNTR	20,350	21,000	(3.1)	(6.2)	(14.5)	17.3	HOLD
Bank Negara Indonesia	BBNI	5,575	5,750	(3.0)	(10.1)	(17.4)	(8.6)	BUY
Bank Rakyat Indonesia	BBRI	10,125	10,400	(2.6)	(9.0)	(15.8)	(13.1)	BUY
Bank Mandiri	BMRI	9,675	9,875	(2.0)	(8.1)	(14.2)	(10.2)	BUY
Gajah Tunggal	GJTL	995	1,015	(2.0)	(3.9)	(2.5)	(30.2)	BUY
Indofood	INDF	6,650	6,775	(1.8)	(4.7)	(4.0)	(1.5)	BUY
Blue Bird	BIRD	8,000	8,150	(1.8)	(4.5)	(10.6)	(15.1)	BUY
Hexindo Adiperkasa	HEXA	2,780	2,830	(1.8)	(8.6)	(7.3)	(20.7)	HOLD
Harum Energy	HRUM	1,155	1,175	(1.7)	(3.8)	(4.1)	(30.4)	HOLD

Sources: Bloomberg

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