

Press Release

Bakrieland Remains Optimistic in Developing Its Property Business

Ready to Grow and Become the Consumers' Main Choice

JAKARTA, 30 November 2016 — PT Bakrieland Development Tbk (Bakrieland) continues to be optimistic in developing its business and competing in the property sector for the remaining year, especially with the current government policies that provide a positive climate to the property industry.

Ambono Janurianto, the President Director and CEO of Bakrieland, emphasized that during the remainder of the year, the Company will continue to take course on the long-term business strategy that focuses on quick-yield and high return projects, increasing the Company's sustainable recurring income streams, financial restructuring, expanding strategic partnerships and combining small and big scale projects.

"We are confident in facing the challenges and targets set for this year. With hard work from all business units, the Company is ready to grow to become one of the top choices for its consumers," Ambono emphasized during Bakrieland's Public Expose in Jakarta, Wednesday (30/11).

Based on the Q3 – 2016 financial report, the Company, recorded a net profit for Q3–2016 of Rp 8.3 Billion, an increase of \$36.1 billion from the previous loss in the same period in 2015. Meanwhile, the Company recorded a total revenue of Rp 782 billion or a 28% decrease from Rp 1.08 trillion in 2015. The decline in revenue was mainly due to the decrease in sales on land, the apartment units as well as landed housing.

"From the beginning of the year until Q3-2016, Indonesia's property industry in general has not been too favorable. However, we remain optimistic to expanding our business for the remainder of the year, and into 2017" Ambono added.

The decline in the Company's revenue was followed by the shortfall in gross profit. The Company recorded a gross profit of Rp 346 billion, or a 10% decrease from Rp 595 billion in 2015.

The Company's current total assets per Q3-2016 has not significantly changed from the year 2015, recorded at Rp 14.6 trillion.

In June of this year, the Company's subsidiary, PT Graha Andrasentra Propertindo Tbk (PT GAP), held its Initial Public Offering (IPO) at the Indonesia Stock Exchange. Bakrieland hopes that the IPO will support the Company's business development specifically in the theme park and property-related units.

In relation to the debt restructuring of the Equity-Linked Bond (ELB), in July 2016, Bakrieland and the Coordinating Committee signed a Memorandum of Understanding (MOU) of the convertible bond debt restructuring with the settlement mechanism set through an exchange offer soon to be finalized in the coming months. The Company remains optimistic of the outcome for all parties concerned.

Meanwhile, in addition to completing and operating the projects and products which are already underway, the Company plans to start the development of new projects, including, the ongoing development of the Bogor Nirwana Residence, the ongoing development of Kahuripan Nirwana Sidoarjo residential, Hotel and new housing projects around the JungleLand theme park area, the development of the tourist area in Malang, hotel projects in Sidoarjo, a middle-segment apartment project in Advanced Cibubur Depok area, extension project of the Awana Town House in Yogyakarta, hotel projects in Lampung as well as the addition of the tower hotel in Aston Bogor Hotel Resort. The Company also continues to work with strategic partners including the development of the second phase of the Sentra Timur Residence Apartment consisting of 5 towers, and the ongoing development of the Tamansari Prospero at Kahuripan Nirwana Sidoarjo to meet the increasing demand as Sidoarjo and the new CBD continues to grow.

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