



PRESS RELEASE

For Immediate Release

Booked Strong Performance, Saratoga Posted a Record Dividend Income in 2016

Implementation of SFAS 65 accounting standard has reflected a more accurate picture of the value growth of the Company

Jakarta, 29 March 2017 – PT Saratoga Investama Sedaya Tbk. (ticker code: SRTG) successfully booked a record in dividend income of IDR 622 billion in 2016. The strong dividend contribution from the investee companies demonstrated the mature nature of Saratoga's portfolio holdings; as it also reflected the long-term sustainability in the sense that the investee companies are self-sufficient and able to provide dividends to the shareholders.

Saratoga President Director Michael W.P. Soeryadjaya explained that the record in dividend income reflected the solid performance of its investee companies. This is also attributable to Saratoga's discipline in applying its full-cycle-investment strategy of invest-grow-monetize.

"As an active investment company, we always aim at reaching the full cycle of investment wherein we do not only invest, but are actively involved in growing and expanding the company to reach its full potential. Most of our investee companies reach this stage, which showcases a great combination of well-founded investment and growth strategy and strong execution," said Michael.

The strong performance of Saratoga's investee companies in 2016 reflected in its investment in natural resources and consumer sector. In the natural resources sector, PT Adaro Energy Tbk.'s (ticker code: ADRO) performance grew distinctively due to the recovery in coal prices after reaching the lowest point in 5 years and financial closure of Central Java power plant project with the capacity of 2 x 1,000 MW. This fundamental strengthening has successfully boosted ADRO's share price from IDR 515 to IDR 1,695 per share in 2016.

In the consumer sector, PT Mitra Pinasthika Mustika Tbk. (ticker code: MPMX) continues to strengthen its performance driven by revenue growth in the auto parts customer segment as well as distribution and retail. The solid performance has brought MPMX's share in 2016 from IDR 489 to IDR 820 per share.

With the positive performance and as a reflection of Saratoga's commitment to shareholders, in 2016, Saratoga also distributed dividends for the first time since its IPO in 2013 of IDR 86 billion or IDR 32 per share for full year 2015 result and interim dividend of IDR 165 billion or IDR 61 per share for 2016.



New accounting treatment allows better reflection of Saratoga's performance as an active investment company

Saratoga's robust performance throughout 2016 was also driven by a few factors including the implementation of the new accounting standard and dividend income from investee companies. The implementation of the Statement Financial Accounting Standards (SFAS) 65 starting 2016 allowed Saratoga to apply fair value accounting treatment to its investment assets.

In 2016, with the new accounting standard, Saratoga successfully posted an investment income of IDR 6.34 trillion – IDR 3.39 trillion of which was contributed by the one-off adjustments, which marked the transition from equity accounting to fair value accounting treatment. Meanwhile, the increase in the investee companies' share prices during 2016 period contributed IDR 2.94 trillion, which was mainly attributable to the increase in ADRO & MPMX shares.

As part of the change in accounting treatment, the company recorded a net profit of IDR 5.67 trillion with total assets of IDR 25.1 trillion, up 51% compared to IDR 16.7 trillion in 2015. This result better reflected the performance of Saratoga as an active investment company. Saratoga is the first public company to implement SFAS 65 accounting standard in Indonesia.

Saratoga Chief Financial Officer Jerry Ngo said that the net profit achievement in 2016 does not necessarily serve as a guidance for the company's performance in the future, as investment income derived from one-off adjustments is a single-occurrence when the company applied SFAS 65 accounting standard. Furthermore, the increase of the share prices as part of Saratoga's investment income growth will also be heavily reliant on the share price at the stock exchange.

As an active investment company, the accounting standard implemented by Saratoga has provided a true illustration of the company's business performance in the future. This is expected to serve as guidance for investors in making the best decisions for their investments.

"Saratoga's performance in the future will be supported by the performance of our investee companies. We believe that with positive economic growth and opportunities, we will continue to provide optimal added value to our stakeholders," Jerry said.

As an active investment company, Saratoga consistently initiates new investments in 2016 to strengthen its three investment pillars, i.e. Natural Resources, Infrastructure and Consumer. Following a thorough analysis and careful consideration, in 2016 Saratoga acquired 5.63% shares in PT MGM Bosco Logistik (MGM Bosco), one of the leading cold-chain logistics companies in Indonesia.

Saratoga also invested in PT Famon Awal Bros Sedaya – a corporate group that currently owns and manages 4 (four) of Indonesia's prominent hospitals under the brand of RS Awal Bros (RSAB Group). The hospitals under FABS have been operating in several major cities in Indonesia, i.e. Jakarta, Bekasi, Tangerang, and Makasar (FABS Hospital Network).



2016 was also a good year for Saratoga when it comes to divestment. To highlight a few divestments we made in 2016, during the first quarter we divested from PT Pulau Seroja Jaya, a shipping company that provides marine chartering services of tugboats and barges that we invested since 2008, for IDR 98 billion. In the fourth quarter, we divested some of our palm plantation assets of Provident Agro with a market premium price per hectare. Lastly, in the first quarter of 2017, we managed to divest from PT Lintas Marga Sedaya, a long term toll-road construction investment project that we invested since 2006. It is with persistent hard work and high conviction of the project for the past 10 years that drove us to complete the project. The divestment was closed for IDR 900 billion.

Meanwhile, to support national energy resources and demand, Saratoga through its investee company, PT Medco Power Indonesia (MPI) starting from 18 March 2017 has commenced commercial operations of the first unit of the Sarulla Geothermal Power Plant with a capacity of 110 MW. The Sarulla project is one of the largest geothermal power plants in the world with up to 330 MW total capacities in one single contract, and consists of three phases. The Second and Third phases are scheduled to start commercial operations in 2017 and 2018. Power generated from Sarulla Geothermal Power Plant is sold to Perusahaan Listrik Negara (PLN) over a period of 30 years.

“Saratoga will continue to take initiatives to support the government’s programs through investments in strategic sectors. We believe with Saratoga’s experience and strategies, we will be able to make significant contributions to the Indonesian economy,” said Jerry.

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About PT Saratoga Investama Sedaya Tbk.

Founded in 1998, Saratoga Investama Sedaya (Saratoga) is a leading active investment company in Indonesia. Saratoga takes an active role in managing its investee companies as well as in exploring investment opportunities in Indonesia.

Saratoga focuses on investment opportunities in the early-stage as well as in the growth stage, and also in special conditions with emphasis on sectors that support Indonesian economic development, such as consumer, infrastructure, and natural resources.

Saratoga's vision is to continue to be the major active investment company in Indonesia as well as the partner of choice for national and foreign investors, who wish to participate in the dynamic growth of the Indonesian economy.

For further information on Saratoga, please visit www.saratoga-investama.com.

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