



ASTRA international

PRESS RELEASE

28 February 2007

**PT ASTRA INTERNATIONAL TBK
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006**

Highlights

- Earnings per share down 32% to Rp 917
- Decline in wholesale motor vehicles and motorcycle volumes for the year
- Increased production levels in contract mining business
- Growth in palm oil sales volumes and firmer CPO prices offset by cost increases

"2006 proved, as expected, to be a challenging year. The Group's businesses performed satisfactorily in the circumstances. Whilst the first quarter performance may be impacted by the effects of the recent flooding in Jakarta, the more positive macro conditions should lead to improved performance in 2007."

Michael D. Ruslim
 President Director
 28 February 2007

Group Results

	Year to 31 December		
	2006 Rp bn	2005 Rp bn	Change %
Net revenue	55,508	61,732	-10
Operating income	4,991	6,414	-22
Net income	3,712	5,457	-32
	Rp	Rp	
Net earnings per share	917	1,348	-32
	As at 31 December 2006 Rp bn	As at 31 December 2005 Rp bn	Change %
Shareholders' funds	22,376	20,424	10
	Rp	Rp	
Net asset value per share	5,527	5,045	10

The financial results for the year ended 31 December 2006 and 31 December 2005 have been prepared in accordance with accounting principles generally accepted in Indonesia and have been audited in accordance with auditing standards established by the Indonesian Institute of Accountants.

PRESIDENT DIRECTOR'S STATEMENT

Overview

Trading conditions in 2006 were challenging as the Indonesian economy adapted to the changes brought about by the reduction of fuel subsidies in the last quarter of 2005. Improvements in the economic outlook over the course of the year allowed a moderation in the level of interest rates, leading to improved consumer confidence and an increase in motorcycle volumes, albeit at reduced margins.

Performance

The Group's net income for the year ended 31 December 2006 declined by 32% to Rp 3.7 trillion. Earnings per share decreased to Rp 917.

Automotive

Operating income from the automotive business was 51% lower for the year 2006 at Rp 859 billion.

Weak demand saw the overall wholesale market for motor vehicles fall by 40% to 318,904 units. Astra's motor vehicle sales declined to 174,827 units, a reduction of 32%, such that its market share increased from 49% to 55%. During the period, Astra successfully launched four new models, the Toyota Yaris, the new Toyota Camry, the Toyota Rush, the Daihatsu Terios and six revamped models. At the end of the year, Astra Daihatsu Motor opened its new engine plant in Karawang and increased its production capacity from 114,000 to 150,000 units per year.

The overall wholesale market for motorcycles declined by 13% to 4.4 million units. Astra Honda motorcycle sales were 12% lower compared to 2005 at 2.3 million units, with a market share of 53%. Second half volumes improved markedly, increasing to 1.4 million units compared to 0.9 million units in the first half, albeit at lower margins. Astra Honda broadened its product range during the period with the launch of one new model, the Vario, its first automatic model and four revamped models, the Supra Fit R, the new Mega Pro, the new Tiger and the Fit S.

PT Astra Otoparts Tbk's component manufacturing operations continued to be affected by lower volumes and resulted in a slightly lower net income of Rp 282 billion.

Non-Automotive

Operating income from the non-automotive businesses, comprising mainly agribusiness, financial services, and heavy equipment was Rp 4.1 trillion, a reduction of 12%.

Net income of PT Astra Agro Lestari Tbk ("AAL") remained flat at Rp 787 billion. AAL booked higher sales due to an increase of 11% in crude palm oil ("CPO") sales volumes and firmer CPO prices, although this was offset by cost increases. AAL continues to replenish its land bank for new palm oil and rubber plantations.

Astra's financial services activities declined as a consequence of the more difficult conditions in the automotive markets. The amounts financed by Federal International Finance, Astra Credit Companies and Toyota Astra Financial Service were down 20% to Rp 19.1 trillion. Provisions for loan losses increased over the period.

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On 16 September 2006 Astra increased its stake in Bank Permata ("BP") from 31.55% to 44.51% for a consideration of Rp 894 billion. Astra's total investment in BP is now Rp 3.1 trillion. BP's net income for the period was Rp 311 billion, an increase of 6% from last year which was satisfactory in the challenging market conditions.

Net income of PT United Tractors Tbk ("UT") decreased by 11% to Rp 930 billion. UT's contract mining subsidiary, PT Pamapersada Nusantara, is continuing to perform satisfactorily with increases in both overburden removal and coal extracted of 20%. Profitability has however been impacted by an increase in provisions for doubtful accounts. Sales of Komatsu heavy equipment declined by 6% to 2,250 units due to lower demand levels, but its market share remained stable at 48%.

Astra's infrastructure investment in a toll road is performing satisfactorily. In July, Astra purchased a 30% interest in the franchise for one of the two Greater Jakarta water utilities that runs until 2023. Further infrastructure investments are under review.

Group

The Group's net asset value grew by 10% over the year to Rp 22.4 trillion and the net asset value per share rose to Rp 5,527.

The Group's net debt as at 31 December 2006 was Rp 17.1 trillion, compared to Rp 22.5 trillion at the end of 2005. Excluding net debt within the Group's financial services businesses, the Group's net debt at 31 December 2006 was Rp 3.6 trillion (2005: Rp 2.6 trillion), representing a net debt to equity ratio of 16% up from 13% at the end of 2005. Net borrowings increased primarily as a result of the group's investment in Bank Permata.

At the beginning of February 2007, the Greater Jakarta area suffered major flooding. The level of property damage to the Group is not significant but the impact on automotive sales in the short term is somewhat unpredictable.

Dividend

An interim dividend of Rp 150 per share (2005: Rp 100) was paid on 15 November 2006. A remaining dividend of Rp 290 per share will be proposed to shareholders at the Annual General Meeting on 23 May 2007, bringing the total dividend for this year, if approved, to Rp 440 per share (2005: Rp 440).

Prospects

Whilst the first quarter performance may be impacted by the effects of the recent flooding in Jakarta, the more positive macro conditions should lead to improved performance in 2007.

Michael D. Ruslim
President Director
28 February 2007

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