

CHAIRMAN'S STATEMENT

OVERVIEW

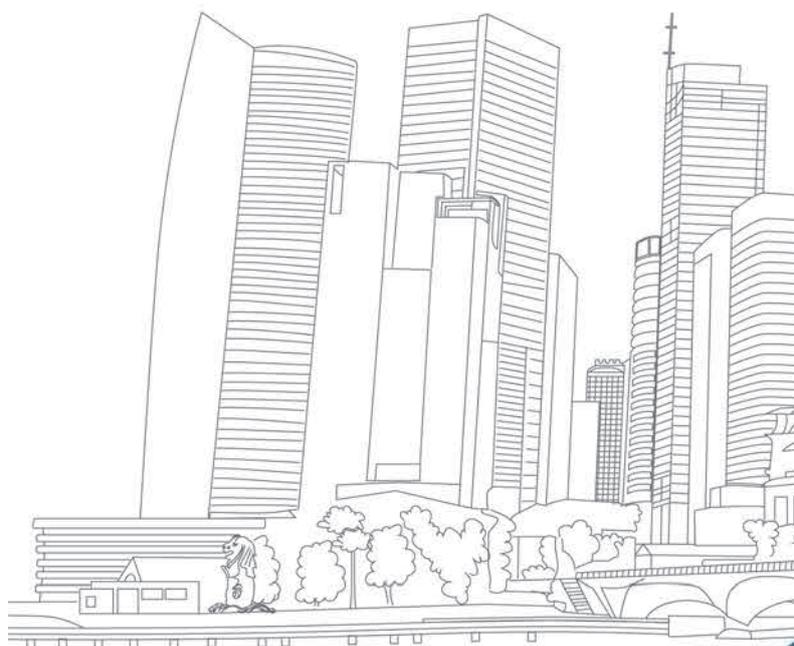
The Group's full year results declined as Astra's trading performance was affected by heightened competition in the car market and weak coal prices, while a weaker rupiah reduced its US dollar contribution further. This more than outweighed the improved results from the Group's other interests.

PERFORMANCE

The Group's revenue for the year was 6% lower at US\$18.7 billion. Underlying profit attributable to shareholders was down 11% at US\$793 million, while underlying earnings per share also declined by 11% to US\$222.88. Profit attributable to shareholders at US\$820 million was 10% lower, after accounting for a net gain in non-trading items of US\$27 million, attributable largely to the recognition of negative goodwill arising on the acquisition of a 50% interest in Astra Aviva Life and a fair value gain on the revaluation of investment properties, partly offset by a fair value loss on plantations.

Astra contributed US\$724 million to the Group's underlying profit, as a 3% decrease in Astra's rupiah result was translated into a 15% decline in US dollars due to the rupiah which was on average 11% weaker than in 2013. The contribution to underlying profit from the Group's other interests of US\$82 million was up 40%.

The Board is recommending a final one-tier tax-exempt dividend of US\$67 per share (2013: US\$90 per share), which together with the interim dividend will give a total dividend of US\$85 per share (2013: US\$108 per share) for the year. The decline in dividend per share reflects the reduced level of underlying profit for the year and the desire to lower the level of debt within the Company so as to leave it better placed to take advantage of investment opportunities. The final dividend is payable in US dollars or Singapore dollars.





Mercedes-Benz S-Class | Singapore

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BUSINESS ACTIVITY

Jardine Cycle & Carriage's activities are focused principally on Southeast Asia. Through its 50.1% interest in Astra, the Group is involved in six businesses in Indonesia, comprising automotive, financial services, heavy equipment and mining, agribusiness, infrastructure, logistics and others, and information technology. The Group's strategy is to support the growth of Astra, which is seeking to complement the continued development of its existing operations with expansion into new areas where it believes that it can, over time, develop market-leading businesses that can benefit from Astra's reach and expertise. The Group's other predominantly motor interests are active in Singapore, Malaysia, Indonesia, Vietnam and Myanmar.

Astra's underlying profit in rupiah was 3% lower than in 2013. Improved results were seen from its agribusiness and contract mining operations, but these were offset by lower

earnings from the automotive businesses, where margins in the car sector declined, and an impairment charge was recorded in relation to its coal mining properties.

Astra sold a 25% interest in Astra Sedaya Finance to Permata Bank in the second quarter of 2014. In November 2014, the Astra Aviva life insurance joint venture was formally launched. In December 2014, United Tractors announced that it had entered into an agreement to acquire a majority interest in Indonesian-listed construction company, PT Acset Indonusa Tbk.

The contribution from the Group's other interests rose 40% to US\$82 million, due largely to an improved performance by Truong Hai Auto Corporation in Vietnam, which benefited from strong vehicle sales, good margins and lower financing costs. Earnings from the Singapore motor operations were 8% higher following an increase in the number of vehicles sold.



Astra Graphia | Indonesia



Mercedes-Benz Citaro | Singapore



Permata Bank | Indonesia

In Malaysia, Cycle & Carriage Bintang's contribution was up 138%, from a low base, due to good demand for new models, although margins on older models remained under pressure. In Indonesia, Tunas Ridean's contribution was 28% lower in the face of competitive pressure in the car market.

In February 2015, the Group increased further its commitment to Vietnam when it raised its shareholding in publicly-listed Refrigeration Electrical Engineering Corporation Group ("REE") from 19% to 22% for a cost of US\$12 million. REE is now an associated company.

PEOPLE

Together with its subsidiaries and associates, the Group employs around 245,000 people across Indonesia, Malaysia, Singapore, Vietnam and Myanmar. On behalf of the Board, I would like to take this opportunity to thank them for their commitment and hard work and wish them well in 2015.

I am delighted to welcome Dr Marty Natalegawa to the Board. Dr Natalegawa has extensive knowledge and experience of International relations, particularly of ASEAN, and his insights and experience will be of great value to the Board.

OUTLOOK

The Group's markets are expected to remain uncertain in the year ahead. Astra is anticipating continued competition in the car market in Indonesia and relatively low coal prices, while the weaker rupiah exchange rate will continue to impact its contribution to the Group.

Ben Keswick

Chairman

26th February 2015



Tunas Toyota Showroom | Indonesia