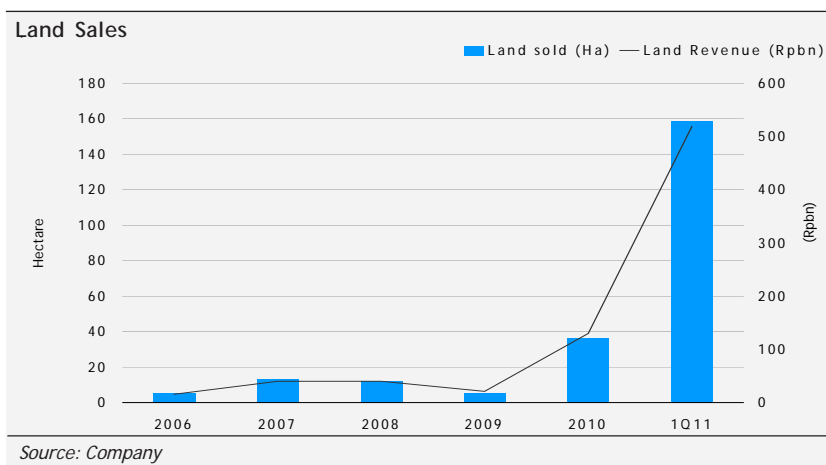


SSIA: Surprising Topline, More Land Bank Needed

SSIA book Rp977bn in revenue, increase by 200% YoY and 91% QoQ. The strong sales supported by 158 Ha land bank sales on 1Q11: 80Ha of Astra Daihatsu, 40Ha of Astra International, 28 Ha of Nestle, and 10 Ha of others. The total land sold has reach 88% of 2011 target of 180 Ha in total.



SSIA owns 454 Ha of total land bank, with 139 Ha to be acquired. Considering its high growth on sales, the management should aggressively acquire new land bank to sustain its sales performance. The management also gives a brief updates on several projects:

Infrastructure Project in Sekayan, East Kalimantan

SSIA participate in tender worth Rp900bn to build coal jetty and road development on Sekayan, East Kalimantan.

Updates on Cikampek-Palimanan Toll Road

Land acquisition process has reach 90% completion and the management expect to start the 116 km long toll road on 4Q11. To finance the project, SSIA already got Rp5tr financing commitment from BBKA and BMRI.

Development in Industrial Estate

Surya Cipta Swadaya, SSIA subsidiary, is on completion process of its 1400 Ha Karawang industrial estates. The project comprise of three development phases, with phase 2 expected to be completed on 2012, and has started the phase 3 currently.

Expansion Plan on Hotel Chain

SSIA plans to start major renovation project of Grand Melia Jakarta on Jun'-Dec' 11. The company also plans to expand its hotel chain operation to enter budget hotel segment, start with 3 cities; Jakarta, Palembang, and Yogyakarta. The company also plans to increase its ownership on Suryalaya Anindita International, its hotel chain operator, from its current 54% level.

Valuation

SSIA currently traded at 51% NAV, inline compared to it peers. Considering its current small land banks, the stock seems to be fully valued.

SSIA						
QoQ (Rpbn)	1Q11	4Q10	QoQg (%)	Ratio Analysis	1Q11	4Q10
Revenue	977	512	90.7			
GP	259	160	61.6	GPM	26.5	31.3
OP	177	62	187.5	OPM	18.2	12.0
NP	117	72	62.1	NPM	12.0	14.1
YTD YoY (Rpbn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)	1Q11	1Q10
Revenue	977	325	200.5			
GP	259	82	215.9	GPM	26.5	12.3
OP	177	20	808.5	OPM	18.2	7.9
NP	117	(4)	(3,036.6)	NPM	12.0	2.7
Bloomberg Est (Rpbn)			Realization (%)	Margin	(%)	
Revenue	2,183		44.7			
OP	275		64.6	OPM	12.6	
NP	125		94.3	NPM	5.7	

Source: Company, Bloomberg

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