

**IDX 3,804.9**

Change :	0.80%
Transaction Volume (m) :	5,119.4
Transaction Value (Rpbn) :	3,759.4
Mkt Cap (Rptr) :	3,392.4
Market P/E (x) :	16.3
Market Div. Yield (%) :	2.4

Global Indices		Chg	(%)
Dow Jones	12,691.0	95.6	0.8
Nasdaq	2,869.9	22.3	0.8
Nikkei	9,691.8	133.2	1.4
ST Times	3,182.7	10.8	0.3
FTSE	6,068.2	-1.2	-0.0
Hang Seng	23,892.8	-114.5	-0.5

Dual Listing (NYSE)		Chg	(%)
ISAT	30.5 5,266.5	0.2	0.5
TLKM	35.7 7,702.6	0.7	2.0

Commodity Price		Chg	(%)
Crude OIL (NYMEX)	112.8	0.6	0.5
Gold (LME Spot)	1,517	13.6	0.9
Nickel (LME 3M)	26,630	-20	-0.1
Tins (LME 3M)	32,000	-725	-2.2
CPO (Rotterdam CIF)	1,140	-25.0	-2.1
Rubber (Tokyo 1M)	5,231	-109.0	-2.0
Coal (Weekly 22/4)	121	0.0	0.0

Market Movers		Chg	(%)
EXCL	6,750	350	5.5
TLKM	7,700	250	3.4
BMRI	7,150	150	2.1
ASII	55,150	1,050	1.9
BBRI	6,550	100	1.6
BBCA	7,500	-50	-0.7
INDF	5,600	-50	-0.9
ADRO	2,200	-25	-1.1
BDMN	6,200	-100	-1.6
DUTI	1,900	-300	-13.6

Exchange Rate		
BI Rate	-	6.75%
US\$	IDR	8,628.00
Yen	IDR	105.01
SGD	IDR	7,016.35
EUR	IDR	12,759.09

Corporate Action		
ASGR	AGM/EGM	28-April-11
BBLD	AGM/EGM	28-April-11
BCAP	AGM/EGM	28-April-11
BHIT	EGM	28-April-11
ADMF	AGM	28-April-11

## Daily Wrap

Regional were up yesterday, US erased an early declines after Fed policy makers agreed to keep stimulus until June and maintain interest rate at low level. EU rose, driven by technology stocks on earning results. Asian market mixed, China and India fell, while the rest are up led by technology stocks and positive sentiment from an increase in US consumer confidence. ID stocks rose, rebounded from previous day losses. Commodities flat, gain in energy and precious metal were offset by loss in soft commodities and base metal. JP and AU are up by 0.7% and 0.3% at the point of this writing.

**US +0.8% EU +0.3%**

- ❑ US Stocks rebounded from early declines after Fed policy makers agreed to finish stimulus program on schedule in June, while the need to contain inflation means further QE is unlikely
- ❑ Fed also agreed to maintain interest rate at low level, bring the dollar to decline further
- ❑ EU stocks rose for 5th straight, still on corporate sentiment. Technology and automotive led the gain in index with Ericsson and Volkswagen reported better than estimated results

**Asia +0.3%**

- ❑ Mixed sentiment on emerging market yesterday, China and India decline as investor still awaited the Fed meeting results, while the rest are up, led by technology companies on speculation economic recovery will boost demand.
- ❑ JP up by +0.7% this morning after Fed decided to maintain interest rate and keeping it stimulus until June, while weakening yen also added some positive sentiment to the index. AU also up by +0.4%.

**ID stocks +0.8%**

- ❑ Market started with a gain and rose even further after lunch break. JCI closed at all time high yesterday. Foreign booked Rp332.4bn of net inflow.
- ❑ Blue chips stocks led the gain in index with TLKM, ASII, and BMRI topped the index movers.
- ❑ Consumer were the only sectors that booked negative return in yesterday trading

**ID Bonds -0.2%**

- ❑ 10 year government bonds declined, yield climbed 2bps to 7.84% yesterday.
- ❑ ID government sold US\$2.5bn the 10-year dollar-denominated bonds with a 4.88% coupon to yield 5.10% yesterday, after attracting bids for almost three times that amount
- ❑ ID government may cancel the plan to issue samurai bonds which is yen-dominated bonds because of downgrade Japan rating by S&P.

**Commodities -0.03%**

- ❑ Oil rose, closed at \$112.8/barrel as US stockpiles fall more than forecast
- ❑ Gold rose to a record of \$1530.3/troy oz on speculation Fed will be slow in raising rates, put pressure on US dollar.
- ❑ Soft commodities drops as supportive rains may boost dry crops.

## Daily News

- ❑ Economy: BI Estimates Deflation 0.25%
- ❑ Economy: Debt to GDP Ratio Down by 1% p.a.
- ❑ Economy: High Growth on TPF
- ❑ Financial: Pension Fund Increase Investment on Stock Market
- ❑ Infrastructure: Pemalang Power Plant auction
- ❑ Infrastructure: 7 Government Companies Ready to Build Bali Toll
- ❑ Coal: Bhakti Energi to Cancel Its IPO Plan

**JCI (IHSG) 3,804.9 30.1 0.80%**

YTD (Rp)	2.7%	Volume (m) :	5,119
YTD (USD)	6.9%	Nilai (Rpbn) :	3,759
Moving Avg 20day	3,734	Mkt Cap (Rptr) :	3,392
Moving Avg 50day	3,606	Market P/E (x) :	16.3
Moving Avg 200day	3,463	Market Div. Yield (%) :	2.4

Indonesia & Sectors		+/-	(%)	YTD (%)
MSCI Indonesia	4743.71	39.7	0.84	4.34
JII	527.43	6.1	1.17	-1.03
LQ45	681.16	5.1	0.76	2.99
JAKFIN Index	510.48	3.7	0.01	9.39
JAKINFR Index	799.51	15.8	0.02	-2.40
JAKMINE Index	3239.85	14.5	0.00	-1.05
JAKCONS Index	1116.36	-1.4	-0.00	1.98
JAKTRAD Index	492.38	3.4	0.01	3.86
JAKMIND Index	992.29	14.3	0.01	2.61
JAKBIND Index	402.85	2.1	0.01	4.03
JAKPROP Index	207.82	1.0	0.00	2.32
JAKAGRI Index	2175.11	8.2	0.00	-4.78

**Commodities +/- (%) YTD (%)**

CRB Index	365.82	-0.4	-0.10	9.92
<b>Oil &amp; Gas</b>				
Crude Oil	112.76	0.6	0.49	23.40
Natural Gas	4.38	-0.0	-0.23	-0.64
COAL (Rotterdam)	127.20	0.9	0.71	-3.20
COAL (Amsterdam)	126.93	-1.8	-1.41	0.78
COAL (Australia,wk)	122.80	0.0	0.00	0.33
<b>Industrial Metals</b>				
Aluminium	2,741.50	-3.3	-0.12	11.48
Nickel	26,630	-20	-0.08	7.60
Tin	32,000	-725	-2.22	18.96
<b>Precious Metal</b>				
Gold	1,517.10	13.6	0.90	6.73
Silver	45.96	0.9	2.02	48.68
<b>Soft Commodities</b>				
CPO (Malaysia)	3,370.00	-17.0	-0.50	-11.64
CPO (Netherland)	1,140.00	-25.0	-2.15	-11.28
Rubber	5,231.26	-109.0	-2.04	4.75
Corn	752.25	-14.0	-1.83	19.59
Wheat	777.00	-34.3	-4.22	-2.17
Soybeans	1,378.00	-4.8	-0.34	-1.13
Rice (Indonesia)	6,600.00	0.0	0.00	-7.04

**Winners**

Stock	Price	(%)	Stock	Price	(%)
BTPN	2,600	8.33	DUTI	1,900	-13.64
EXCL	6,750	5.47	IMAS	8,550	-3.93
DSSA	26,200	4.80	BDMN	6,200	-1.59
TLKM	7,700	3.36	JSMR	3,300	-1.49
BNII	630	3.28	LPKR	780	-1.27
BMRI	7,150	2.14	ADRO	2,200	-1.12
ASII	55,150	1.94	PNBN	1,120	-0.88
BBRI	6,550	1.55	INDF	5,600	-0.88
UNTR	23,250	1.31	KLBF	3,575	-0.69
PGAS	4,000	0.63	BBCA	7,500	-0.66

**Losers**

Stock	Price	(%)	Stock	Price	(%)
DUTI	1,900	-13.64	IMAS	8,550	-3.93
IMAS	8,550	-3.93	BDMN	6,200	-1.59
BDMN	6,200	-1.59	JSMR	3,300	-1.49
JSMR	3,300	-1.49	LPKR	780	-1.27
LPKR	780	-1.27	ADRO	2,200	-1.12
ADRO	2,200	-1.12	PNBN	1,120	-0.88
PNBN	1,120	-0.88	INDF	5,600	-0.88
INDF	5,600	-0.88	KLBF	3,575	-0.69
KLBF	3,575	-0.69	BBCA	7,500	-0.66
BBCA	7,500	-0.66			

**Regional Indices +/- (%) YTD (%)**

MXWO	MSCI Word	1,371.4	4.7	0.34	7.13
SPX	S&P 500	1,355.7	8.4	0.62	7.79
<b>US</b>					
Dow Jones Industrial		12,691.0	95.6	0.76	9.62
Nasdaq	US	2,869.9	22.3	0.78	8.18
<b>Europe</b>					
EURO 50	Europe	282.1	0.9	0.32	2.29
FTSE	London	6,068.2	-1.2	-0.02	2.85
DAX	German	7,405.0	48.4	0.66	7.10
CAC	France	4,067.7	22.4	0.55	6.91
SMI	Swiss	6,472.4	-4.2	-0.06	0.57
<b>BRIC</b>					
BOVESPA	Brazil	66,264.5	-879.8	-1.31	-4.39
MICEX	Russia	1,745.0	-21.3	-1.21	3.37
SENSEX	India	19,448.7	-96.7	-0.49	-5.17
NIFTY	India	5,833.9	-34.5	-0.59	-4.90
SHCOMP	China	2,925.4	-13.6	-0.46	4.18
SZCOMP	China	1,217.7	-15.1	-1.22	-5.66

**Developed ASIA**

Nikkei	Japan	9,691.8	133.2	1.39	-5.25
TPX	Japan	839.9	6.2	0.75	-6.56
HIS	Hong kong	23,892.8	-114.5	-0.48	3.72
KOSPI	S.Korea	2,206.7	0.4	0.02	7.59
TAIEX	Taiwan	9,049.3	101.1	1.13	0.86
FSSTI	Singapore	3,182.7	10.8	0.34	-0.23
<b>ASEAN</b>					
SET	Thailand	1,101.4	4.4	0.40	6.64
PCOMP	Philippines	4,321.3	15.8	0.37	2.86
KLCI	Malaysia	1,529.9	2.6	0.17	0.72
VNINDEX	Vietnam	469.3	7.5	1.62	-3.17

**Currency +/- (%) YTD (%)**

EURUSD	Euro	1.479	0.014	0.98	10.49
GBPUSD	United Kingdom	1.663	0.015	0.89	6.50
USDCHF	Switzerland	0.875	-0.000	-0.06	-6.47
USDCAD	Canada	0.950	-0.002	-0.20	-4.84
AUDUSD	Australia	1.087	0.009	0.81	6.24
NZDUSD	New Zealand	0.808	0.002	0.29	3.56
USDJPY	Japan	82.2	0.610	0.75	1.28
USDCNY	China	6.512	-0.016	-0.25	-1.44
USDHKD	Hongkong	7.770	-0.001	-0.02	-0.04
USDSGD	Singapore	1.230	-0.002	-0.19	-4.18
Rupiah	Indonesia	8,628.0	-15.000	-0.17	-4.09

**Value**

Value	(Rpbn)	Volume	(Lot)	Freq	(x)
BMRI	256,000	BNBR	1,354,269	PANR	5,640
BBRI	168,827	ELTY	1,161,090	BKDP	3,900
BUMI	145,798	DEWA	941,095	GREN	3,176
BDMN	140,024	ENRG	715,384	ELTY	3,117
ASII	120,275	TRUB	620,715	GDST	3,030
BORN	96,984	BIPI	270,008	DEWA	2,887
BJBR	95,522	APLN	243,673	BJBR	2,691
TLKM	90,464	GREN	216,157	MRAT	2,589
KLBF	86,730	BKDP	204,902	RICY	2,549
ELTY	84,416	KIJA	170,342	BORN	2,005

**Economy: BI Estimates Deflation 0.25%**

Central Bank estimates that this month's deflation will be on range of 0.15-0.25% due to the declining food price. YoY inflation will decrease to 6.3-6.4%. *Source: Investor Daily*

**Economy: Debt to GDP Ratio Down by 1% p.a.**

Indonesia expected to bring down the debt to GDP ratio by 1% p.a. as long as the fund flows are stable. For every 1% decrease in Debt to GDP ratio, Rp63tr increase in GDP needed. *Source: Bisnis Indonesia*

**Economy: High Growth on TPF**

Better economic condition and high investment has brought back the money deposited in foreign countries by Indonesian citizen. Both phenomena are reflected on higher growth in TPF. Higher income per capita and stock market investment also supported the growth. *Source: Investor Daily*

**Financial: Pension Fund Increase Investment on Stock Market**

Pension fund will increase stock market investment to reach their 11% - 12% target return on 2011. Stock market volatility, however, has increase the risk on pension fund investment. *Source: Bisnis Indonesia*

**Infrastructure: Pemalang Power Plant auction**

Auction will be held on May 2011 as the operation target in 2016. they hope this auction will be soon working as this project is for electricity needs and showcase of PPP project. *Source: Bisnis Indonesia*

**Infrastructure: 7 Government Companies Ready to Build Bali Toll**

The 7 companies will join as concorcium method. They are JSMR, PT Pelindo III, PT Angkasa Pura I, PT Bali Tourism Development, WIKA, ADHI, and PT Hutama Karya. The toll road itself is Serangan-Tanjung Bena worth Rp1.9tr. *Source: Bisnis Indonesia*

**Coal: Bhakti Energi to Cancel Its IPO Plan**

The decision was made after the company has made a strategic partnership to work on its 7 coal concessions. The partner would invest USD500mn to Bhakti Energi Persada, the low rank coal producer. *Source: IFT*

**AUTO: Rp2.2tr Expansion**

AUTO will invest Rp2.2tr to expand the production capacity. Company also declare Rp592/share, since the company had distribute interim dividend, the final dividend will be Rp434/share, 2.6% yield. AUTO record 6.8% decrease YoY in 1Q11 net profit due to higher marketing expense. Revenue increase 20.6% YoY. *Source: Investor Daily*

**BHIT: Divest 10% MNC Sky**

BHIT will release 10% stake in MNC Sky through IPO on 2H11. MNC Sky will release 25% shares to public, 10% from BHIT and 15% new shares. *Source: Investor Daily*

**BMTR: Dividend Rp10/share**

BMTR will distribute cash dividends from net profit of 2010 amounted to Rp137.9bn or equivalent to Rp10/share., reflect 1.4% yield. Shareholder also agreed to implement a share repurchase program a maximum of 680 million shares, equivalent to 5% of paid up capital. *Source: kontan.co.id*

**BBNI: Sell 25% Ownership on BNI Securities**

BBNI sell 25% ownership on its subsidiary, BNI Securities, to SBI Securities. The Japanese securities company will inject Rp114bn fresh capital as a strategic investor. SBI Securities is the biggest retail securities in Japan, and BBNI hopes the strategic alliances will bring the technology and knowledge transfer for BNI Securities. *Source: Bisnis Indonesia*

**BUMI: Cancellation of Gallo Oil Divestment**

Bisnis Indonesia reported that the company has cancelled its 20% divestment of Gallo Oil to Florenceville Financial. As such, USD290mn of other receivable would be revoked from balance sheet and USD35.9mn of gain from asset divestment on income statement. Management has yet clarified the news. *Source: Bisnis Indonesia*

**HRUM: Ready to Absorb USD180mn Loan Facility**

The fund will be available to anticipate company's need of expansions. HRUM expected to acquire another coal mine concession with 5,000 kcal/kg of CV for additional reserve. Meanwhile, AGM approved to pay 80% payout ratio, equivalent to Rp244/shr or 2.6% dividend yield. *Source: Bisnis Indonesia, IFT*

**MNCN: Dividend Rp15/share**

MNCN plans to distribute a dividend of Rp15/share, 1.7% yield. The total budget has to be distributed to shareholders reached Rp207.3bn, with 30% payout ratio. *Source: kontan.co.id*

**PTPP: Net Income 1Q Increase 57.4% YoY**

Net income of PTPP increase 57.4% YoY due to the increase of revenue 13% YoY and COGS increase of 9.8%. The asset also shows an increase 19.7% YoY. As the net income increase, the EPS increase 66.7% YoY from Rp3 to Rp5 per share. *Source: Detik Finance*

1Q11 BBNI (Bank Negara Indonesia)						
QoQ (Rptr)	1Q11	4Q10	QoQg (%)	Ratio Analysis	1Q11	4Q10
NII	2,891	2,721	6.3			
Non Interest Income	1,485	3,657	(59.4)	LDR	73.3	68.9
OP	1,674	1,268	32.1	NIM	5.7	5.7
NP	1,252	1,147	9.1	CAR	18.4	13.3
				NPL	4.1	4.3
YTD YoY (Rptr)	1Q11	1Q10	YoYg (%)	ROA	2.8	1.5
NII	2,891	2,953	(2.1)	ROE	16.9	17.2
Non Interest Income	1,485	1,719	(13.6)			
OP	1,674	1,337	25.2			
NP	1,252	1,026	22.0			
Bloomberg Est (Rptr)		Realization (%)				
OP	7,577		22.1			
NP	5,376		23.3			

Source : Company, Bloomberg

### BBNI: On Going Turnaround Story

BBNI post Rp1.2tr net profit on 1Q11; represent 23% of consensus estimate. Challenges in delivering operational result remain in place, but the asset quality has shown a further improvement as shown by NPL at 4.1% vs. 4.3% on 4Q11. BBNI post Rp338bn in asset recovery out of Rp2.2tr target. BBNI asset yield down by 150bps on QoQ basis while the CoF down by 30bps, support stable NIM at 5.7%.

BBNI management focus shift toward growth has started to deliver some improvement on retail banking business. Number of CASA account has grew by 1.7mn YoY and 300k on QoQ basis. The aggressive growing number of account drive overall CASA ratio which reach 60% on 1Q11 vs. 54% on 1Q10 and 59% on 4Q10 and bring down the CoF by 30bps QoQ and 50bps YoY. On asset side, BBNI put strong focus on credit card and mortgage business. With 12% and 9% market share in respectively, BBNI plan to chase after Mandiri in both market.

BBNI traded at 2.1x 2011est PBV, the lowest in TRIM Banks. BBNI provide compelling valuation and ample room to grow.

## 1Q11 BJBR (Bank Pembangunan Daerah Jawa Barat)

QoQ (Rptr)	1Q11	4Q10	QoQg (%)	Ratio Analysis	1Q11	4Q10
NII	703	661	6.4			
Non Interest Income	70	(5.6)	(1,345)	LDR	70.2	75.9
OP	321	152	110.9	NIM	6.5	7.3
NP	260	99	163.0	CAR	19.6	22.9
				NPL	2.4	1.7
YTD YoY (Rptr)	1Q11	1Q10	YoYg (%)	ROA	3.1	3.2
NII	703	678	3.8	ROE	22.5	25.0
Non Interest Income	70	110	(36.8)			
OP	321	278	15.7			
NP	260	210	23.7			
Bloomberg Est (Rptr)			Realization (%)			
OP	1,481		21.7			
NP	1,093		23.8			

Source : Company, Bloomberg

## BJBR: Easing Profitability

BJBR post Rp260bn net profit in 1Q11; represent 24% of consensus estimates. BJBR deliver 4.2% loans growth and 6.0% deposit growth. On a deeper look, however, the deposit growth is entirely contributed by general allocation of municipal government budget worth Rp2tr, which had been reimbursed on 1st April.

On QoQ basis, the net profit jump by 163% mainly due to miscalculation due to PSAK55 implementation. NIM ease to 6.5% vs. 7.3%, ROE ease to 22% vs. 25%, while NPL increase to 2.4% vs. 1.7%. 196bps drop on asset yield vs. 60bps drop easing on CoF are the main contributor on NIM compression issue. We also cautious on management decision to give Rp578bn worth of dividend, represent 65% dividend payout ratio, as it leads to Rp318bn drain on retained earnings. The drain worth ~170bps of tier-1 CAR ratio; of which could support ~Rp4.5tr or 10% future loans growth.

BJBR are traded at 2.2x 2011est PBV. Valuation seems to be demanding considering the NIM compression and capital drain issue.

1Q11 KLBF (Kalbe Farma)						
QoQ (Rptr)	1Q11	4Q10	QoQg (%)	Ratio Analysis	1Q11	4Q10
Revenue	2,353	2,954	(20.4)			
GP	1,220	1,439	(15.3)	GPM	51.8	48.7
OP	417	503	(17.1)	OPM	17.7	17.0
NP	316	384	(17.8)	NPM	13.4	13.0
YTD YoY (Rptr)	1Q11	1Q10	YoYg (%)	YTD Margin (%)	1Q11	1Q10
Revenue	2,353	2,188	7.5			
GP	1,220	1,098	11.0	GPM	51.8	50.2
OP	417	387	7.9	OPM	17.7	17.7
NP	316	256	23.3	NPM	13.4	11.7
Bloomberg Est (Rptr)	Realization (%)		Margin	(%)		
Revenue	11,693		20.1			
OP	2,105		19.8	OPM	18.0	
NP	1,508		21.0	NPM	12.9	

Source : Company, Bloomberg

#### KLBF: Sustainable Growth

KLBF record Rp316bn net profit, increase 23.3% YoY. Revenue increase 7.5% YoY. Revenue contribution comes from distribution and packaging (30.4%), pharmaceutical (28.5%), nutritional products (22.9%), and consumer health (18.2%). Distribution and Packaging division decrease 6% due to the divestment of IGAR in 3Q2010. GPM margin is expanding 3.1% to 51.8% due to efficiency and stronger rupiah. Company generated strong cash flows due to improvement in operational cycle, cash position at the end of Mar'11 worth of Rp2.3tr.

KLBF has completed a production facility in Cikarang dedicated to produce generic drugs, currently in the process of obtaining certification from BPOM. KLBF has also started the construction of a production facility for oncology products to increase the availability of oncology drugs at affordable prices. Those two will increase the pharmaceutical contribution in the future. Next month, company will distribute dividend amounting to Rp68.5/share, 1.9% yield.

KLBF performance has already reflected on the share price Rp3575/share, reflecting FY11 PE ratio of 22.8x. Consensus target price Rp3368/share. Hold.

1Q11 MAPI (Mitra Adiperkasa)						
QoQ (Rp tr)	1Q11	4Q10	QoQg (%)	Ratio Analysis		
				1Q11	4Q10	
Revenue	1,269	1,320	(3.8)			
GP	628	685	(8.3)	GPM	49.5	51.9
OP	82	143	(42.2)	OPM	6.5	10.8
NP	44	53	(17.0)	NPM	3.5	4.0
YTD YoY (Rpbn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)		
				1Q11	1Q10	
Revenue	1,269	1,048	21.1			
GP	628	506	24.1	GPM	49.5	48.3
OP	82	53	55.7	OPM	6.5	5.0
NP	44	30	45.3	NPM	3.5	2.9
Bloomberg Est (Rpbn)		Realization (%)		Margin (%)		
Revenue	5,532		22.9			
OP	510		16.2	OPM	9.2	
NP	293		14.9	NPM	5.3	

Source : Company, Bloomberg

#### MAPI: Good Execution

MAPI record Rp43.8bn net profit in 1Q11, rise 45% YoY. Revenue increase 21% to Rp1.2tr due to SSG and additional stores. GPM expand 2.5% YoY to 49.5% due to stronger rupiah. Management show good execution, seen from the growth of revenue contribution from specialty stores and F & B, the source this additional contribution came from 26 new specialty stores and 7 new F&B which make the total stores reach 887. During 1Q11 company launched some new international brand such as Stradivarius, Bershka and Payless. Stradivarius and Bershka are part of Inditex Group of Spain; one group with MAPI' strong brand, ZARA. Payless is a very popular footwear brand from USA which target medium economy class that may grab a new market for company.

MAPI had touched our target price for the next 12 months at Rp3300 reflecting FY11 PE ratio of 18.7x. Currently, MAPI traded at Rp3225/share. Hold.

1Q11 UNTR (United Tractors)						
QoQ (Rptr)	1Q11	4Q10	QoQg (%)	Ratio Analysis		
				1Q11	4Q10	
Revenue	12,649	9,510	33.0			
GP	2,232	1,734	28.7	GPM	17.6	18.2
OP	1,700	1,236	37.6	OPM	13.4	13.0
NP	1,298	913	42.2	NPM	10.3	9.6
YTD YoY (Rptr)	1Q11	1Q10	YoYg (%)	YTD Margin (%)		
				1Q11	1Q10	
Revenue	12,649	8,718	45.1			
GP	2,232	1,620	37.7	GPM	17.6	18.6
OP	1,700	1,304	30.4	OPM	13.4	15.0
NP	1,298	907	43.0	NPM	10.3	10.4
Bloomberg Est (Rptr)	Realization (%)		Margin (%)			
Revenue	43,049		29.4			
OP	6,616		25.7	OPM	15.4	
NP	4,820		26.9	NPM	11.2	

Source : Company, Bloomberg

#### UNTR: The "Heavy Equipments" Quarter

UNTR booked Rp12.6tr of revenue in 1Q11, increased 45% YoY and represented 29.4% of consensus FY11 target. It trickled down to company operating profit and net profit, which stood at Rp1.7tr and Rp1.3tr, an increase of 30% and 43% YoY, respectively.

#### Business Segments Review

##### □ Construction Machinery

When the construction machinery sales reached an all time high back in Jan'11, we have expected that 1Q11 would be a golden quarter for the division. Market has not too confidence at that moment, worrying that the high sales number was unsustainable. The company only needed another 2 months to break the record by selling 789 units in Mar'11. As such, revenue from the division soared 78.4% YoY to reach Rp6.84tr despite a little decline on gross margin (before elimination) from 17.3% to 16.7% due to stronger IDR and lower spare part and services contribution.

##### □ Mining Contractor

Pama succeeded to increase its coal production and overburden removal by 4.0% and 9.0% YoY, respectively, despite a lingering rainfall. As a result, revenue grew by 10.7% YoY to reach Rp4.48tr while gross margin depressed to 12.9% due to extra work to be done to handle heavy rainfall effect. Margin should improved going forward along with the more friendly weather expected.

##### □ Coal Mining

Coal sales volume reached 1.0mn tons in 1Q11, jumped 35% YoY after its TTA mine run optimally. Revenue jumped 58.8% YoY to reach Rp1.33tr with gross margin significantly improved from 4.1% in 1Q10 to 15.0% due to higher ASP and sales volume.

**Impact on the Earthquake**

With 2 months ready-to-sale inventory levels already depleted, we expect the impact on Japanese quake on heavy equipment delivery would be start around May'11. How long it would occur will fully depend on the recovery condition in Japan. However, with the remarkable sales in 1Q11, we believe that management's initial sales target of 6,000 units in 2011 would most likely to be achieved.

We also take a positive outlook on company's right issue plan, with ASII act as a standby buyer and looking at the possibility to acquire large coal mining with the fund proceeded.

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