

Economic Data

	Latest	2012F
BI Rate (%), eop	5.75	5.75
Inflation (YoY %)	4.32	5.00
US\$ 1 = Rp, period avg	9,633	9,398

Stock Market Data (10 December 2012)

JCI Index	4,302.6	0.28%
Trading T/O (Rp bn)	3,741.0	
Market Cap (Rp tn)	4,100.8	

Market Data Summary*

	2012F
EBITDA growth (%)	12.5
EPS growth (%)	17.4
EV/EBITDA (x)	7.4
Core P/E (x)	13.5
P/BV (x)	3.0
Div. Yield (%)	2.7
Earnings Yield (%)	7.4
Net Gearing (%)	1.5
ROE (%)	23.6

* Aggregate of 71 companies in MS research universe, representing 60.8% of JCI's market capitalization

HIGHLIGHT

- *Bank Jatim: October 2012 results (BJTM, Rp385, Buy, TP: Rp580)*
- *Market Recap December 10th 2012, JCI: 4,302.609 (+0.28%), IDR/USD: 9,633*

CORPORATE

Bank Jatim: October 2012 results (BJTM, Rp385, Buy, TP: Rp580)

- Bank Jatim recorded Rp601bn net profit in 10M12, down 23% y-y and this account for 66% of the full year expectation of Rp911bn. As the bank recorded Rp528bn net profit in 9M12 they posted Rp73b profit in October, an improvement from the average monthly profit of Rp59bn in the first nine months 2012.
- This was supported by the 17% y-y loan growth and 22% y-y deposits growth with net interest income improved 2% y-y to Rp1,617bn while total gross operating income (net interest income plus non-interest income) increased 7% y-y to Rp1,907bn.
- Operating profit declined 23% y-y to Rp801bn with the bank recorded Rp100bn operating profit in October which we see a marked improvement from the 9M12 average of Rp78bn. We have yet to find out about their total impairment/provisioning charges in 10M12 but it seems to be on the decline in October despite the worsening NPL level to 2.74% from 2.72% in September. This is because the NPL level in standby loans increased to 0.4% in October from 0.14% in September while in Keppres loans NPL increased to 10.1% from 9.75% over the same period. NPL in KUR however, improved to 9.01% from 9.11% in contrary to our earlier expectation, despite the reduction in the total outstanding KUR.
- Should the bank is able to maintain its profitability and assuming there will not be any significant deterioration in asset quality in the remaining months, they should be able to make around Rp800-850bn net profit in 2012, around 10% lower than the full year projection. At Rp385 It is trading at 1.0x P/BV 2012E and around 0.9x for 2013E. We are reviewing our forecasts and call on the counter.

Tjandra Lienandjaja (+6221 5296 9617)

tjandra.lienandjaja@mandirisek.co.id

MARKET
Market Recap December 10th 2012, JCI: 4,302.609 (+0.28%), IDR/USD: 9,633

- JCI rebounded +0.28% and passed its 4,300 psychological level. Some big caps stocks led the index: **TLKM** (+1.09% to 9,300); **BBCA** (+3.98% to 9,150); **GGRM** (+2.26% to 56,550); **PGAS** (+1.10% to 4,600); **UNTR** (+0.29% to 17,050); **INDF** (+1.69% to 6,000); **INTP** (+0.45% to 22,500); and **ITMG** (+0.38% to 39,400). In addition, automotive and parts also gained: **ASII** (+0.71% to 7,100); **IMAS** (+1.01% to 5,000); **GJTL** (+1.11% to 2,275) and **INDS** (+0.65% to 3,900). Regular market transaction was recorded at Rp3.7tn (USD384.10mn) with a net foreign sell of Rp239.43bn (USD24.86mn).
- Index laggards were: **SMGR** (-1.35% to 14,650); **LPKR** (-0.96% to 1,030); **UNVR** (-1.14% to 25,950); **BUMI** (-1.79% to 550); **ICBP** (-1.89% to 7,800); **MDLN** (-7.41% to 500); **ASRI** (-1.59% to 620); **LPCK** (-2.78% to 3,500) and **MAPI** (-2.14% to 6,850).
- The yield of 10-year government bond increased by 0.130% to 5.382% and Rupiah strengthened by 0.773% to 9,633.

Sales Team

+6221 527 5375

FROM THE PRESS
The Economic National Committee still sees high growth for Indonesia

The Economic National Committee (KEN) predicts the economy to grow between 6.1% - 6.6% in 2013. It expects growth to source from domestic demand, especially investment whereas export will start to recover yet in a slow pace. Aside from its positive tone, KEN highlighted the low government spending and disbursement for infrastructure development which is essential in order to maintain growth sustainability. Surprisingly, KEN suggested the government not to cut fuel subsidies and increase fuel prices but rather fixing the subsidy system to be fairer targeted. (Various sources).

BSDE targets 15% revenue growth next year

For FY13 Bumi Serpong Damai aims for a Rp4.25tn revenue which grows by 15% from this year's target of Rp3.7tn. The growth will be supported by the strong marketing sales the company booked this past few months which will take approximately 13 months to be realized as revenue. Marketing sales this year is targeted at Rp4.2tn and is aimed to grow by 15% next year. The company is being more conservative next year in terms of targeting its growth due to the upcoming election. Residential sales are still expected to be the main contributor. (Investor Daily)

Foxconn to delay investment in Indonesia

Sofjan Wanandi, the head of the Indonesian Entrepreneur Association (Apindo), stated that Foxconn does not plan to invest in Indonesia within the short period or in 2012 as previously stated. Although the investment is still in the company's plan, Mr. Wanandi said that he has not heard anything yet from Foxconn. He believe that Foxconn is just delaying its plan due to the labor issues in Indonesia and that the company is busy with internal matters. Mr. Wanandi stated that Foxconn is currently still looking for a partner in the country. (Investor Daily)

Hutama Karya to be a toll road company

Hutama Karya, a state owned construction company, will soon become a toll road company. Permit will be granted by end of this year. Different with Jasa Marga, Hutama Karya will focus on non economically feasible toll road projects. Therefore, status will be kept state-owned, not a public company. (Bisnis Indonesia)

Equity Valuation

	JCI Code	Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Net Profit		EPS Growth (%)		PER (x)		EV / EBITDA (x)		P/BV (x)		Net Debt to EBITDA		ROAE	
						2011	2012F	2011	2012F	2011	2012F	2011	2012F	2011	2012F	2011	2012F	2011	2012F
Mandiri Universe					2,471,926	152,058	174,266	25.7%	14.6%	16.2	14.2	9.2	8.1	3.4	2.9	0.7	0.5	22.7%	22.2%
Banking					558,450	38,118	44,313	23.3%	16.3%	14.6	12.6	n/a	n/a	3.2	2.7	n/a	n/a	23.5%	23.1%
BCA	BBCA	Neutral	9,150	9,000	225,593	9,887	12,398	16.6%	25.4%	22.8	18.2	n/a	n/a	5.8	4.9	n/a	n/a	27.0%	29.1%
BNI	BBNB	Buy	3,575	4,700	66,669	5,399	6,167	31.6%	14.2%	12.3	10.8	n/a	n/a	1.8	1.6	n/a	n/a	15.4%	15.8%
BRI	BBRI	Buy	7,050	8,100	173,918	15,088	15,911	31.5%	5.5%	11.5	10.9	n/a	n/a	3.5	2.8	n/a	n/a	34.9%	28.6%
BTN	BBTN	Sell	1,570	1,800	14,171	1,119	1,295	22.1%	13.4%	12.4	10.9	n/a	n/a	1.9	1.4	n/a	n/a	16.2%	14.9%
Danamon	BDMN	Neutral	5,600	5,900	47,136	3,035	4,098	5.2%	35.0%	15.5	11.5	n/a	n/a	2.3	2.0	n/a	n/a	15.6%	18.7%
Panin	PNBN	Neutral	640	1,200	15,416	1,677	2,177	33.3%	29.8%	9.2	7.1	n/a	n/a	1.2	1.1	n/a	n/a	13.6%	16.4%
Bank Saudara	SDRA	Buy	630	750	1,460	90	109	50.2%	21.5%	16.2	13.3	n/a	n/a	3.1	2.7	n/a	n/a	20.8%	21.5%
Bank BJB	BJBR J	Buy	1,010	1,350	9,793	963	1,248	8.2%	29.5%	10.2	7.9	n/a	n/a	1.8	1.6	n/a	n/a	18.6%	21.9%
Bank Jatim	BJTM	Buy	385	580	4,294	860	911	1.2%	-68.4%	1.5	4.7	n/a	n/a	0.4	0.8	n/a	n/a	28.6%	20.3%
Infrastructure					256,920	11,012	12,800	11.7%	16.2%	23.3	20.1	14.5	12.1	4.9	4.2	0.0	0.1	22.4%	22.5%
Holcim	SMCB	Buy	3,550	3,000	27,203	1,032	1,379	24.5%	33.6%	26.4	19.7	12.9	10.9	3.5	3.1	0.8	0.7	14.2%	16.7%
Indocement	INTP	Buy	22,500	21,000	82,828	3,597	4,148	11.5%	15.3%	23.0	20.0	15.0	12.9	5.3	4.6	-1.3	-1.0	25.0%	24.6%
Semen Gresik	SMGR	Neutral	14,650	13,300	85,901	3,925	4,325	8.0%	10.2%	21.9	19.9	15.8	13.3	5.9	5.1	-0.4	-0.2	29.7%	27.6%
Adhi Karya	ADHI	Neutral	2,100	560	3,690	119	140	-37.4%	17.7%	31.1	26.4	9.2	6.8	4.0	3.6	1.3	0.2	13.2%	14.2%
PP	PTPP	Neutral	920	800	4,455	240	283	19.1%	17.6%	18.5	15.8	7.2	7.0	3.1	2.5	0.4	1.0	17.9%	17.7%
Wijaya Karya	WKA	Neutral	1,550	1,500	9,302	354	451	24.4%	27.3%	26.2	20.6	13.3	8.3	4.5	3.8	-1.2	-1.3	18.3%	20.1%
Jasa Marga	JSMR	Neutral	5,800	6,100	39,440	1,428	1,714	19.6%	20.0%	27.6	23.0	16.5	13.2	4.6	4.1	2.4	2.2	17.5%	19.0%
Citra Marga	CMNP	Neutral	2,050	2,300	4,100	317	362	6.3%	14.0%	12.9	11.3	8.2	6.6	2.0	1.7	1.0	0.2	16.5%	16.0%
Chemical					20,987	3,278	1,668	116.7%	-49.1%	6.4	12.6	9.2	8.6	0.8	0.8	5.3	5.0	13.8%	6.5%
Lautan Luas	LTL5	Neutral	750	800	585	76	87	-5.4%	14.2%	7.7	6.7	7.5	7.0	0.7	0.6	4.3	3.8	9.0%	9.7%
AKR Corporindo	AKRA	Neutral	4,200	3,000	16,044	2,230	596	604.8%	-73.3%	7.2	26.9	21.3	18.9	4.1	3.7	-0.4	-0.2	70.6%	14.5%
Indah Kiat	INKP	Neutral	710	1,600	3,884	916	914	-13.4%	0.9%	4.2	4.2	7.4	7.0	0.2	0.2	6.5	6.2	4.8%	4.7%
Budi Acid Jaya	BUDI	Neutral	126	230	473	55	71	55.0%	27.8%	8.5	6.7	4.4	4.0	0.6	0.5	2.2	1.9	7.1%	8.5%
Consumer					468,972	15,644	16,870	12.1%	7.8%	30.0	27.8	18.0	16.8	7.0	6.3	0.0	-0.1	25.0%	23.8%
Indofood	INDF	Buy	6,000	6,500	52,680	3,077	3,520	4.2%	14.4%	17.1	15.0	8.4	8.0	2.7	2.4	0.0	-0.1	17.0%	17.1%
Indofood CBP	ICBP J	Buy	7,800	7,300	45,482	1,975	2,445	15.9%	23.8%	23.0	18.6	13.8	12.0	4.5	3.8	-1.2	-0.9	20.6%	22.1%
Gudang Garam	GGRM	Buy	56,550	58,000	108,807	4,894	4,497	18.0%	-8.1%	22.2	24.2	14.8	15.1	4.5	4.1	0.7	0.4	21.5%	17.7%
Mayora	MYOR	Buy	19,900	25,000	15,255	471	657	-2.7%	39.4%	32.4	23.2	18.8	13.0	6.5	5.3	2.6	1.5	21.6%	25.1%
Unilever	UNVR	Neutral	25,950	16,000	197,999	3,744	4,161	10.5%	11.1%	52.9	47.6	37.9	34.1	45.0	41.1	-0.3	-0.3	88.6%	90.2%
Kalbe Farma	KLBF	Sell	1,040	610	48,750	1,482	1,591	15.2%	7.4%	32.9	30.6	21.7	20.3	7.8	6.9	-1.0	-0.9	25.6%	24.0%
Retail					43,185	1,294	1,748	35.7%	35.1%	31.5	24.7	18.1	14.1	5.0	4.4	0.0	0.0	18.0%	19.6%
Mitra Adiperkasa	MAPI	Neutral	6,850	6,300	11,371	360	432	79.3%	20.0%	31.5	26.3	14.3	11.8	6.3	5.3	1.0	0.9	22.1%	21.8%
Ramayana	RALS	Buy	1,380	1,400	9,792	378	476	6.4%	26.0%	25.9	20.6	16.4	12.5	3.4	3.2	-2.0	-1.9	13.7%	16.0%
Ace Hardware Indonesia	ACES	Neutral	740	720	12,691	280	356	66.7%	27.2%	45.4	35.7	30.1	20.5	10.5	8.3	-0.6	0.0	25.2%	26.1%
ERAA	ERAA	Buy	2,775	3,125	8,048	255	446	14.7%	22.0%	22.0	18.0	14.9	13.1	2.6	3.1	1.0	0.7	16.2%	18.9%
Supra Boga	RANC	Buy	820	1,000	1,283	21	38	72.7%	83.1%	61.5	33.6	26.8	18.8	7.5	3.6	1.4	-2.1	16.9%	14.4%
Conglomerates					302,488	18,718	20,644	25.8%	9.3%	16.2	14.8	15.5	14.4	4.6	3.9	1.5	1.5	32.1%	28.4%
Astra International	ASII	Neutral	7,100	7,900	287,433	17,785	19,426	23.8%	9.2%	16.2	14.8	15.4	14.4	4.8	4.0	1.5	1.5	32.4%	29.3%
IMAS	IMAS	Buy	5,000	6,550	13,826	813	882	35.9%	8.5%	17.0	15.7	18.5	16.9	3.0	2.6	3.3	3.0	27.3%	17.5%
INDS	INDS	Buy	3,900	5,925	1,229	120	156	1.5%	29.4%	10.2	7.9	7.8	6.0	2.0	1.6	1.7	1.0	28.1%	22.3%
Heavy Equipment					69,773	6,348	6,358	50.3%	0.2%	10.5	11.0	5.6	5.6	2.4	2.2	-0.2	-0.1	28.2%	21.5%
United Tractors	UNTR	Buy	17,050	17,200	63,599	5,899	5,819	42.3%	-5.8%	10.3	10.9	5.4	5.5	2.3	2.2	-0.2	0.0	27.8%	20.8%
Hexindo Adiperkasa	HEXA	Buy	7,350	9,000	6,174	449	539	31.3%	21.4%	13.7	11.4	9.0	7.3	4.2	3.3	-0.3	-0.5	34.7%	32.6%
Plantation					47,716	5,074	5,346	31.3%	5.4%	9.4	8.9	6.1	5.5	1.9	1.7	0.0	-0.2	22.0%	20.6%
Astra Agro Lestari	AALI	Neutral	18,700	23,000	29,448	2,406	2,445	19.3%	1.7%	12.2	12.0	7.9	7.5	3.6	3.3	-0.5	-0.5	31.3%	28.5%
Bakrie Sumatera Plantations	UNSP	Neutral	87	400	1,152	455	475	25.7%	4.5%	2.5	2.4	3.8	3.5	0.1	0.1	2.6	2.3	5.7%	5.8%
Sampoerna Agro	SGRO	Buy	2,225	4,150	4,221	570	689	26.0%	21.0%	7.4	6.1	4.9	4.1	1.6	1.4	0.2	0.1	24.3%	24.5%
London Sumatera Plantations	LSIP	Buy	1,890	2,950	12,895	1,644	1,736	59.1%	5.6%	7.8	7.4	4.9	4.2	2.2	1.9	-0.9	-1.2	31.8%	27.5%
Property					69,401	2,524	3,490	71.4%	38.3%	27.5	19.9	18.6	13.5	1.9	1.8	0.1	0.4	7.4%	9.3%
Agung Podomoro Land	APLN	Buy	360	430	7,380	540	657	123.2%	21.8%	13.7	11.2	11.4	7.6	1.7	1.4	0.1	0.6	13.0%	13.5%
Bakrieland Development	ELTY	BUY	54	173	2,156	135	164	-24.4%	21.5%	16.0	13.1	23.3	16.6	0.3	0.3	9.7	6.3	1.7%	2.0%
Bumi Serpong Damai	BSDE	Buy	1,240	1,350	21,696	766	1,084	21.4%	41.5%	28.3	20.0	18.5	16.0	2.6	2.4	-3.6	-2.3	10.6%	12.4%
CIFUTRA DEVELOPMENT	CTRA	Buy	820	605	12,436	304	347	17.9%	14.0%	40.9	35.9	20.8	18.3	2.4	2.2	-3.4	-1.5	6.0%	6.5%
Kawasan Industri Jababeka	KUIA	Buy	205	220	2,825	160	334	157.0%	108.9%	17.7	8.5	11.6	7.9	1.5	1.3	4.9	3.7	9.1%	16.7%
Summarecon Agung	SMRA	Buy	2,000	2,250	13,746	392	470	67.9%	22.1%	35.1	28.7	20.3	13.5	5.6	4.9	-0.5	-0.5	17.0%	18.1%
Sentul City	BKSL	Buy	192	450	6,028	136	184	107.0%	36.0%	44.5	32.7	40.4	29.0	1.3	1.3	1.6	1.3		

RESEARCH

John Daniel Rachmat	Head of Equity Research, Strategy	john.rachmat@mandirisek.co.id	+6221 5296 9542
Adrian Joezer	Automotive, Conglomerate, Consumer, Retail	adrian.joezer@mandirisek.co.id	+6221 5296 9549
Hariyanto Wijaya, CFA, CFP, CPA	Plantation, Heavy eq., Energy	hariyanto.wijaya@mandirisek.co.id	+6221 5296 9553
Octavius Oky Prakarsa	Building material, Consumer, Property	octavius.prakarsa@mandirisek.co.id	+6221 5296 9547
Tjandra Lienandjaja	Banking	tjandra.lienandjaja@mandirisek.co.id	+6221 5296 9617
Aldian Taloputra	Economist	aldian.taloputra@mandirisek.co.id	+6221 5296 9572
Leo Putra Rinaldy	Economist	leo.rinaldy@mandirisek.co.id	+6221 5296 9406
Satriawan	Technical Analyst	satriawan@mandirisek.co.id	+6221 5296 9623
Wisnu Trihatmojo	Research Assistant	wisnu.trihatmojo@mandirisek.co.id	+6221 5296 9544

INSTITUTIONAL SALES

Lokman Lie	Co-Head Institutional Equities	lokman.lie@mandirisek.co.id	+6221 527 5375
Silva Halim	Co-Head Institutional Equities	silva.halim@mandirisek.co.id	+6221 527 5375
Andrew Handaya	Institutional Sales	andrew.handaya@mandirisek.co.id	+6221 527 5375
Oos Rosadi	Institutional Sales	oos.rosadi@mandirisek.co.id	+6221 527 5375
Vera Ongyono	Institutional Sales	vera.ongyono@mandirisek.co.id	+6221 527 5375
Yohan Setio	Institutional Sales	yohan.setio@mandirisek.co.id	+6221 527 5375
Zahra Aldila Niode	Institutional Sales	zahra.niode@mandirisek.co.id	+6221 527 5375
Kusnadi Widjaja	Equity Dealing	kusnadi.widjaja@mandirisek.co.id	+6221 527 5375
Edwin Setiadi	Equity Dealing	edwin.setiadi@mandirisek.co.id	+6221 527 5375

RETAIL SALES

Ridwan Pranata	Jakarta Branch	ridwan.pranata@mandirisek.co.id	+6221 5296 9514
Yohanes Triyanto	Kelapa Gading Branch	Yohanes.triyanto@mandirisek.co.id	+6221 45845355
Hendra Riady	Mangga Dua Branch	hendra.riady@mandirisek.co.id	+6221 6230 2333
Meta Rama Priyandari	Pondok Indah Branch	meta.priyandari@mandirisek.co.id	+6221 75818837
Boy Triono	Bandung Branch	boy.triyono@mandirisek.co.id	+6222 2510738
Yuri Ariadi	Pontianak Branch	yuri.ariadi@mandirisek.co.id	+62561 582292
Irawan Endro Surono	Malang & Surabaya Branch	irawan.es@mandirisek.co.id	+6231 535 7218
Ruwie	Medan Branch	ruwie@mandirisek.co.id	+6261 457 1116

INVESTMENT RATINGS: Indicators of expected total return (price appreciation plus dividend yield) within the 12-month period from the date of the last published report, are: Buy (10% or higher), Neutral (-10% to 10%) and Sell (-10% or lower).

DISCLAIMER: This report is issued by PT. Mandiri Sekuritas, a member of the Indonesia Stock Exchanges (IDX). Although the contents of this document may represent the opinion of PT. Mandiri Sekuritas, deriving its judgement from materials and sources believed to be reliable, PT. Mandiri Sekuritas or any other company in the Mandiri Group cannot guarantee its accuracy and completeness. PT. Mandiri Sekuritas or any other company in the Mandiri Group may be involved in transactions contrary to any opinion herein to make markets, or have positions in the securities recommended herein. PT. Mandiri Sekuritas or any other company in the Mandiri Group may seek or will seek investment banking or other business relationships with the companies in this report. For further information please contact our number 62-21-5263445 or fax 62-21-5275711.

ANALYSTS CERTIFICATION: Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.