

PT WIJAYA KARYA (Persero) Tbk EXCEEDING EXPECTATION

Company In Brief:

PT Wijaya Karya (Persero) Tbk [IDX Code: WIKA], with 49-year experience, is the market leader in infrastructure industry. WIKA is an integrated infrastructure company with a complete set of competence of construction, concrete production, real estate development, and construction material trading. WIKA also has a national and international reputation. WIKA prides itself in becoming the contractor of projects equivalent to Power Plants Banten 2 Labuan and Pelabuhan Ratu, Suramadu Bridge, Cement Plant Indocement and many others. WIKA grows to be the largest company with EPC competence by acquiring specialties companies.

WIKA has been listed in IDX since October 2007 and use the fund to finance its expansion in EPC, power plants, toll road projects, and international construction projects. WIKA has received an award for The Best Listed Company in Property and Construction Sector by the Investor Magazine in 2009.

www.wika.co.id

Outlook Is Still In-Line:

- Sales could exceed its target of IDR 7.48 T in 2009 as major projects are won and WIKA still has an open bid position of IDR 23 trillion in construction services.
- The operating margin exceeds its expectation. The H1 2009 operating margin is 6.22%
- Capital expenditure is planned at IDR 321 B

Company Update

- New contracts until June 2009 is IDR 5.60 T.
- Aircraft Fuel Depot Kuala Namu project in North Sumatera is won for USD 43 million
- PT WIKA Jabar Power is being prepared to work on Tampomas Geothermal Power Plant
- Suramadu Bridge had been completed and was opened in June 10, 2009
- Labuan 2 Banten Power Plant is Completed

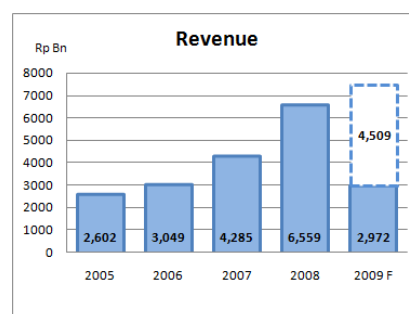
Assumptions Are Still In-Line:

- Economic growth is 6.00%, GDP at IDR 5,327 T, exchange rate at IDR 9,400/USD. Oil is USD 80/barrel
- Government's budget rises to IDR 1,037.10 trillion, while state ministries budget rises to IDR 58.70 trillion
- Inflation rate will be maintained at 6.2%; BI rate stay at approx. 7.5%, lending rate 13-17% pa.

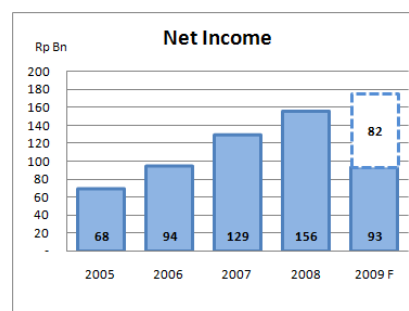


Financial Highlight (As in H1 2009 Report):

Revenue : Rp 2,971.91 B



Net Income : Rp 93.34B



Current Ratio	: 1.50x	ROE	: 13.17%
DER	: 2.84x	ROA	: 3.37%
EPS	: IDR 32.92/shr (annualized)		
PER	: 10.78x (as of July 31, 2009)		

FINANCIAL SUMMARY

HIGHLIGHT OF WIKA INCOME STATEMENT

For the Period Ended December 31 and June 30

(In IDR Bn)

	Audited Financial Statement for the Year Ended			Unaudited Financial Statement for June 30		
	2007	2008	% YOY	H1 2008	H1 2009	% YOY
Net Revenue	4,284.58	6,559.08	53%	2,733.68	2,971.91	9%
COGS	3,925.62	6,113.05	56%	2,561.31	2,724.07	6%
Gross Profit (including JO Projects)	376.31	442.93	18%	167.77	251.15	50%
Sales Expenses	10.95	2.59	-76%	1.36	0.85	-38%
G&A Expenses	124.75	152.41	22%	62.17	65.54	5%
Operating Income	240.61	287.93	20%	104.25	184.75	77%
Interest Income	10.53	53.74	410%	22.88	19.03	-17%
Interest Expense	(51.04)	(44.02)	-14%	(24.83)	(29.99)	21%
Other Income (Expenses) excl. Interest	(12.15)	(49.81)	n/a	(2.00)	(57.69)	2785%
Pretax Income	187.95	256.41	36%	100.30	116.11	16%
Tax Expense	(44.33)	(81.76)	84%	(29.16)	(18.07)	-38%
Net Income	129.14	156.03	21%	61.81	93.34	51%

In 2009, construction final tax has already been included in cost of sales, so Revenue is free from final tax. Because of the different tax system for construction service, the tax expense below the pre-tax income decreased significantly.

HIGHLIGHT OF WIKA BALANCE SHEET

As of December 31 and June 30

(In IDR Bn)

	Audited Financial Statement as of December 31			Unaudited Financial Statement as of June 30		
	2007	2008	% YOY	H1 2008	H1 2009	% YOY
Cash and Cash Equivalents	1,364.82	1,051.43	-23%	683.98	706.12	3%
Account Receivables	599.23	1,039.10	73%	972.86	1,454.87	50%
Inventories	464.47	1,350.02	191%	1,038.64	1,144.36	10%
Total Current Assets	3,687.32	5,229.93	42%	4,254.93	4,862.57	14%
Fixed Assets	245.50	335.88	37%	266.96	322.04	21%
Total Non Current Assets	445.74	541.49	21%	479.93	670.20	40%
TOTAL ASSETS	4,133.06	5,771.42	40%	4,734.86	5,532.78	17%
Short Term Loans	175.99	603.84	243%	292.10	324.43	11%
Trade Payables	973.74	1,307.00	34%	1,155.13	1,138.41	-1%
Current Maturities of Long Term Debt	133.44	23.57	-82%	-	-	0%
Total Current Liabilities	2,231.96	3,620.59	62%	2,609.33	3,259.09	25%
Total Non Current Liabilities	544.95	683.44	25%	738.34	764.31	4%
Total Equity	1,291.21	1,384.64	7%	1,312.93	1,417.09	8%

HIGHLIGHT OF WIKA RATIO

As of December 31 and June 30

	Audited Financial Statement as of December 31			Unaudited Financial Statement as of June 30		
	2007	2008	% YOY	H1 2008	H1 2009	% YOY
Current Ratio	1.65	1.44	-13%	1.63	1.49	-9%
Debt to Equity Ratio	2.15	3.11	45%	2.55	2.84	11%
Collection Period (Days)	51.05	57.82	13%	64.95	89.34	38%
Payable Period (Days)	90.54	78.04	-14%	82.31	76.27	-7%
Return on Equity	10.00%	11.27%	13%	9.42%	13.17%	40%
Return on Assets	3.12%	2.70%	-13%	2.61%	3.37%	29%
Gross Margin	8.78%	6.75%	-23%	6.14%	8.45%	38%
Operating Margin	5.62%	4.39%	-22%	3.81%	6.22%	63%
Profit Before Tax Margin	4.39%	3.91%	-11%	3.67%	3.91%	6%
Net Margin	3.01%	2.38%	-21%	2.26%	3.14%	39%
Total Asset Turnover	103.67%	113.65%	10%	115.47%	107.43%	-7%

* All 1st half data are from unaudited financial statements

COMPANY UPDATE

Until June 2009, the company has managed to win IDR 5.6 trillion worth of new contracts. IDR 2.43 trillion of it comes from construction services alone: general construction and mechanical electrical. General construction contributed IDR 1.87 trillion of new contracts, while mechanical electrical's 8 projects contributed IDR 560.92 billion. Another IDR 588.36 billion comes from pre-cast concrete, IDR 2,16 trillion from manufacturing and trading, IDR 42.77 billion from mechanical engineering, IDR 200.96 billion from building and IDR 175.28 from real estate.

WIKA also has won the aircraft fuel filling depot in Kuala Namu, North Sumatera. The project worth USD 43 million equivalent to IDR 454.68 billion from PT Pertamina. WIKA will work on it civil construction, mechanical and piping works, electrical, and instrumentation works. The depot will be finished in 22 months (in February 2011). The margin expected from the project is 8%. By winning the project, WIKA is the first and the only national contractor listed as a main contractor for similar projects in Indonesia, previously dominated by Japanese and Korea contractors.

WIKA is on a preparation to establish PT Wijaya Karya Jabar Power, a subsidiary that will work on Geothermal Power Plant Tampomas. Three companies will join to establish PT WIKA Jabar Power whereas WIKA will contribute 55% of the ownership with total fund allocated in the company IDR 4,95 billion.

Suramadu is completed in June was opened by President Susilo Bambang Yudhoyono on June 8, 2009. In this project, the Indonesian contractor consortium worked on USD 41.13 million plus IDR 341.30 billion, whereas WIKA took 25% of the portion.

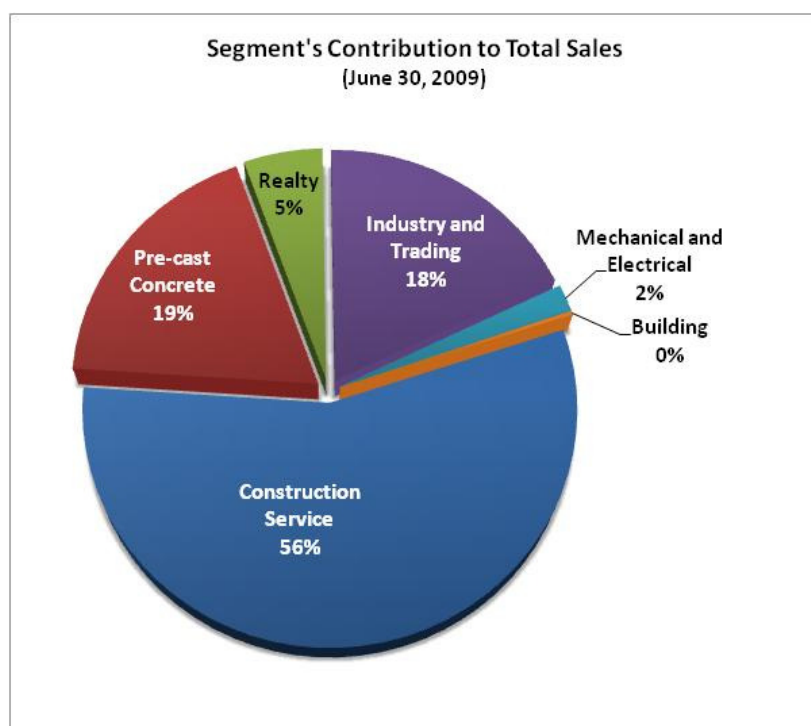
Labuan 2 Banten Power Plant with a capacity of 2x300 MW was finished in June 2009. This is the fastest completed project among the 10,000MW program and is becoming the benchmark for other power plant projects.

BUSINESS SEGMENTS

Construction services contributed 56% of H1 2009 revenue and accounts for 46.3% of the company's operating income. Construction works include power plants and mechanical electrical, bridges and roads, port, irrigation, barrages, and building.

By product, General Construction (GC) still accounts the biggest contribution to the construction service segment. GC projects that are carried over from 2008 amounts to IDR 2.4 trillion or 46% of the total construction service carry over. GC also the biggest contributor of new contracts in 2009 until June 2009 amounting to IDR 1.83 trillion out of IDR 2.39 trillion of total construction new contracts. It means that GC accounts for 76.56% of the total new contract.

Another largest contribution to the company's order book is Mechanical Electrical (ME). ME contributes IDR 560.92 billion of the 2009 new contracts. ME contributes significant projects in terms of value and competency building. The IDR 454.68 billion worth Aircraft Fuel Filling project in Kuala Namu and similar projects in Soekarno Hatta Airport will position WIKA as one of the few domestic company that compete with Japanese and Korean companies in these project category.



Revenue composition among the construction business and business of the subsidiaries can be seen in the graph.

Gross margin from construction services in the first semester 2009 was 7.93%, while its operating margin was 5.13%. This is an increase from negative number of gross margin and operating margin of 2.3% in the first semester of 2008.

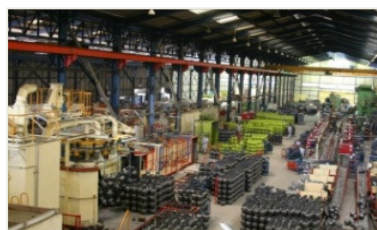
WIKA Beton controls 65% of market share in precast concrete business and contributes 18.4% of WIKA's first semester consolidated revenue, or IDR 546.98 billion net of elimination.

In the first semester of 2009, WIKA Beton recorded an operating profit of IDR 62.5 billion, representing an operating margin of 11,43%. WIKA Beton is contributing approximately 33.8% of the total WIKA's operating income in the first semester of 2009. The operating profit is the sales minus IDR 475.88 billion of COGS and IDR 8.6 billion of operating expenses. WIKA Beton paid IDR 17,68 billion of income tax and IDR 3.27 billion in interest.



Until June 2009, WIKA Beton has won several contracts with a total amount of IDR 588,36 billion. The new contracts plus the carry over projects from 2008, WIKA Beton is working on IDR 1.27trillion total orderbook. WIKA Beton's 2009 order book is targetted at IDR 1 trillion.

WIKA Intrade produces and trades various products especially construction material such asphalt, elevator including certified gas tanks with large capacity of 7.2 million tanks/ year.



WIKA Intrade contributes IDR 539.61 billion of sales equivalent to 18.2% of total corporate revenue in the first semester of 2009. From the sales, it contributes IDR 16.5 billion of operating profit equivalent to 8.9% of consolidated operating income. The operating profit is the sales minus IDR 519,44 billion of COGS and IDR 3.67 billion of operating expenses. The operating margin was 3.06%.

Until June 2009, WIKA Intrade has won several contracts with a total amount of IDR 2.16 trillion. One of the new contract is the IDR 1.9 trillion worth coal supply to Tanjung Jati B power plant. The operating activities will be done together with WIKA Holding. When added with the 2008 carry over, WIKA Intrade is working on IDR 3.2 trillion projects. WIKA Intrade's 2009 order book is targetted at IDR 1.42 trillion.

WIKA Realty develops residential complex, vertically and horizontally. WIKA Realty is developing studio type residences in central Jakarta area, aiming the young and high income executives working in the Jakarta. WIKA Realty's products are available throughout Indonesia.

Its H1 2009 revenue was IDR 158.07 billion. In the first semester of 2009, WIKA Realty recorded an IDR 15.45 billion of operating margin and maintain its position as one of the highest margin segment for WIKA as its operating margin is 8,4%. The operating profit is the sales minus IDR 136,89 billion of COGS and IDR 5.7 billion operating expenses. WIKA Realty paid IDR 0,13 billion in income tax and IDR 4.84 billion in interest.



WIKI Gedung is a subsidiary set up in 2008 to meet with increasing demand in high rise buildings. In the first semester of 2009, WIKI Gedung has recorded a sales of IDR 7.92 billion and operating profit is minus IDR 600 million.

Until June 2009, WIKI Gedung has won IDR 200.96 billion worth of new contracts. WIKI Gedung is targetted to win another IDR 303 billion contracts until the end of 2009, making the target order book at IDR 504 billion.



WIKI Insan Pertiwi, another new subsidiary that was acquired in 2008, has contributed a net sales of IDR 54.04 billion in the first semester of 2009. WIP has contributed IDR 5.42 billion in operating profit and achieved an operating margin of 10%.

Until June 2009, WIP has acquired IDR 42.77 billion of new contracts. The target new contracts acquired this year is IDR 240 billion. With the new contracts, WIP is working on IDR 103.46 billion of orderbook.

OUTLOOK

The outlook is still in-line with our FY2008 guidance, whereas WIKI is more and more optimist could exceed IDR 7.48 trillion in sales and IDR 175 billion in net income due to a more stable condition in the second semester of 2009. This is common due to government spending will be stronger in the second semester. Other reasons for staying optimist are better market in 2010, and WIKI's strategic moves to maintain liquidity, restructure its integrated portfolio and efforts to increase its efficiency. The target sales reflects a 14% growth from 2008, while the target net income reflects a 12% growth from 2008.

The confidence grows as WIKI has won several large projects, in order book value, in market share, and in its positioning as the Integrated Infrastructure Company in Indonesia.

Furthermore, WIKI still has an open bid position of IDR 23 trillion – projects that are still in the tender pipeline – for construction services. Historically, WIKI has a successful rate of 20-25% of the open bid position. Therefore, WIKI still can expect to win new contracts with a total value of IDR 4.60 – 5.75 trillion.

Still consistent to our FY2008 company guidance, we provide you with the revenue schedule. Revenue schedule for the next 4 years are as shown below and will be the guidelines for the division to achieve. Toll, road, and bridges will be merged with port, irrigation and barrage starting in 2010.

In IDR million	2009	2010	2011	2012
Toll, road, & bridges	827,166	2,900,000	4,600,000	5,900,000
Port, Irrigation, & Barrage	628,682			
Building	1,326,725	1,420,000	1,500,000	1,700,000
Powerplant & ME	1,638,519	3,240,000	4,128,000	5,169,000
Precast Industry	1,000,000	1,260,000	1,500,000	1,700,000
Trade & Metal Ind	1,609,192	800,000	1,100,000	1,300,000
Realty	450,800	850,000	1,150,000	1,725,000
TOTAL	7,481,084	10,470,000	13,978,000	17,494,000

Meanwhile, its targetted operating margin structure is as below:

	2009	
	Sum	Operating Margin (%)
Toll, road, & bridges	68,655	8.30%
Port, Irrigation, & Barrage	51,287	6.04%
Building	101,325	8.30%
Powerplant & ME	99,362	6.04%
Precast Industry	68,150	6.82%
Trade & Metal Ind	42,210	2.62%
Realty	56,250	12.48%
TOTAL	487,238	
AVERAGE		6.51%

Any question is welcomed and to be sent to:

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