

CHAPTER IV

RESULT AND DISCUSION

A. General Description of the Company

1. Brief History of The Company

PT Indocement Tungal Prakarsa Tbk., has been Indonesia's largest privately owned cement company for 36 years more. PT Indocement Tungal Prakarsa Tbk. has been a leading producer of quality cement products for the Indonesian market since 1975. Over a decade ago, the German based HeidelbergCement Group became Indocement's majority shareholder. The operations are spread over 3 factories in Bogor, Cirebon and Kotabaru, comprising a total of 12 plants. The Citeureup Factory in Bogor, West Java, is currently one of the largest cement factories in the world that operates 9 plants with an annual installed design capacity of 11.9 million tons of cement. The other two factories are located in Palimanan, Cirebon, West Java; and in Tarjun, Kotabaru, South Kalimantan. These locations have two and one plant respectively. The Company's total installed design capacity is 18.6 million tons of cement per year.

Indocement maintains 3 world-class cement factories that produce quality cement products in Indonesia. Indocement's products are sold under the "Tiga Roda" brand. The diversified range of "Tiga Roda" cement products include Portland Composite Cement ("PCC"), Ordinary Portland Cement ("OPC") Type I, Type II and Type V, Oil Well Cement, White Cement and TR30 White Skim

Coat. Indocement remains the only producer of White Cement in Indonesia. The renowned PCC product, which was introduced in 2005, is differentiated from OPC by having a lower clinker ratio. Substitution of alternative materials creates a higher durability and offers superior protection against the influences of weather and chemical erosion, while effectively lowering energy requirements and CO₂ emissions. This is also inline with Indocement's commitment to foster higher levels of environmental sustainability In all of its operations.

Indocement maintains a well-established Corporate Social Responsibility ("CSR") programs, which emphasize sustainable empowerment. Apart from philanthropy, hunger and poverty relief efforts, Indocement's CSR initiatives consist of employment opportunities, infrastructure development, wildlife preservation, micro credit, energy crops farming and many other schemes. As of year-end 2011 there were 6,316 employees working in Indocement and its subsidiaries.

2. Company Vission, Mission and Slogan

a. Company Mission

We are in the business of providing quality cement and building materials at competitive prices, in a way that promotes sustainable development.

b. Company vision

Premium domestic player in cement business and market leader in Java in ready-mix concrete, aggregates, and sand businesses.

c. Company Slogan

Better shelter for a better life.

3. Company Location

PT Indocement Tungal Prakarsa Tbk. has head office in Wisma Indocement, Level 8 Jalan Jenderal Sudirman Kav. 70-71 Jakarta, Indonesia. Meanwhile there are also several factory and cement terminal of PT Indocement Tungal Prakarsa Tbk. which explained as follows:

- a. Citeureup Factory, Bogor, West Java
- b. Palimanan Factory, Cirebon, West Java
- c. Tarjun Factory, Kotabaru, South Kalimantan
- d. Tanjung Priok Terminal, Jakarta
- e. Floating Terminal, Semarang
- f. Tanjung Perak Terminal, Surabaya
- g. Lembar Terminal, Lombok

4. Organization Structure

As one of Indonesia's major providers of quality cement, Indocement has always placed a strong emphasis on implementing Good Corporate Governance (GCG) practices, which mandate transparency, accountability, responsibility, fairness and independence in all operations. Indocement is committed to upholding these principles across the full breadth of the Company's business, relationships and operations. Adherence to best practices for GCG is the foundation upon which the Company's authority, responsibility and integrity are able to prevail in an open and fair environment.

a. Board of Commissioners

The Board of Commissioners is responsible for overseeing and advising the Board of Directors on matters of Indocement's policy. The Board of Commissioners continuously monitors the effectiveness of the Company's policy and decision-making process as administered by the Board of Directors. The Board of Commissioners has an integral role to play in ensuring that the corporate strategy is effectively executed to meet stakeholder expectations. A comprehensive account of the duties and responsibilities of the Board of Commissioners is provided in the Company's articles of association. These include the following:

- 1) Providing assessments and opinions to the General Meeting of Shareholders (GMS) with regard to the Company's strategic goals and business plans, annual budgets, periodical financial and other reports by the Board of Directors.
- 2) Providing oversight of performance and results of operations against the Company's targets, business plan and annual budget, as well as providing its review and opinion to the GMS.
- 3) Monitoring the progress of the Company and, in the case of a weakening performance, proposing counter measures and reporting findings to the GMS at the earliest possible opportunity.
- 4) Undertaking other supervisory duties as required by the GMS.

- 5) Presenting the Board of Commissioners' report in the Annual GMS or at any time that it is deemed necessary for the Company to undertake an Extraordinary GMS.

The Board of Commissioners of PT Indocement Tunggal Prakarsa Tbk. are as follows :

- 1) Dr. Albert Scheuer as President Commissioner
- 2) Tedy Djuhar Vice as President Commissioner / Independent Commissioner
- 3) I Nyoman Tjager as Vice President Commissioner / Independent Commissioner
- 4) Sri Prakash Lohia as Independent Commissioner
- 5) Dr. Lorenz Naeger as Commissioner
- 6) Dr. Bernd Scheifele as Commissioner
- 7) Daniel Gauthier as Commissioner

b. Board of Directors

The Board of Directors is fully responsible for managing the Company prudently and in accordance with prevailing regulations; and for ensuring that the interests of stakeholders are achieved in line with Company objectives. The Directors, whether individually or collectively, must act with precision, cautiousness, and consider all aspects of a situation in carrying out their duties and avoid any situation where a conflict of interests may arise. The duties and responsibilities of the Board of Directors are comprehensively stated in the Company's articles of association. These include the following:

- 1) Determining policies with respect to the governance and management of the Company.
- 2) Periodically setting Company objectives, strategies and budgetary plans; and measuring operating results on performances against those objectives, strategies and plans.
- 3) Setting Company policies on employment, including policies on hiring and firing, remuneration, pension and other benefits.
- 4) Representing the Company in all activities with internal parties as well as all business dealings with external parties.
- 5) Undertaking the management of the Company and other activities, by complying with the articles of association, with the Board of Commissioners' directives.

The Board of Commissioners of PT Indocement Tunggul Prakarsa Tbk. are as follows :

- 1) Daniel Lavalley as President Director
- 2) Franciscus Welirang as Vice President Director
- 3) Nelson Borch as Director
- 4) Kuky Permana as Director
- 5) Hasan Imer as Director
- 6) Tju Lie Sukanto as Director
- 7) Benny S. Santoso as Director
- 8) Daniel R. Fritz as Director

c. Audit Committee

The Audit Committee provides professional and independent opinions to the Board of Commissioners with respect to reports and other matters presented by the Board of Directors. The Audit Committee is equipped with the Audit Committee Charter, which defines the roles and responsibilities of the committee as follows:

- 1) Proposing the appointment of an external auditor through a selection process.
- 2) Evaluating the execution and results of the audits conducted by the Internal Audit Division as well as those of the external auditor.
- 3) Recommending enhancement of the internal control system and its implementation.
- 4) Reviewing the procedures for information dissemination by the Company.
- 5) Identifying matters requiring the attention of the Board of Commissioners.

d. Compensation Committee

The Compensation Committee oversees implementation of the Company's policies and plans for the compensation of board members and senior management personnels. Among other things, the Compensation Committee is responsible for:

- 1) Assuring that the members of the Board of Directors and key management personnels of the Company are effectively compensated in

terms of salaries and benefits, which are internally equitable and externally competitive.

- 2) Making recommendations to the Board of Commissioners, on all compensation initiatives that affect members of the Board of Directors including the President Director.
- 3) Reviewing all compensation for other key management personnels with the President Director.
- 4) Observing competitive practices and trends to determine the adequacy of the compensation packages for the Company's executives.
- 5) Reviewing from time to time, the adequacy of the Committee's Charter and recommending appropriate changes there of.

e. Corporate Secretary

The Corporate Secretary reports directly to the President Director. In addition to ensuring the timely dissemination of information to the public, the Corporate Secretary is responsible for managing media relations. The corporate secretary is also responsible for compliance to ensure that the company is updated and complies with all prevailing rules and regulations.

f. Internal Audit

The Internal Audit Division assesses various functions, processes, risks and control systems of the Company and its subsidiaries, while also undertaking a supervisory role in the Company's operations. In 2011, the Internal Audit Division conducted audits on 38 business processes, resulting 189 audit findings. These findings have been reported to the Board of Commissioners, which selected

and forwarded several pertinent findings to the Board of Directors for further action. The organizational structure of PT Indocement Tunggal Prakarsa Tbk can be describe in figure 3.

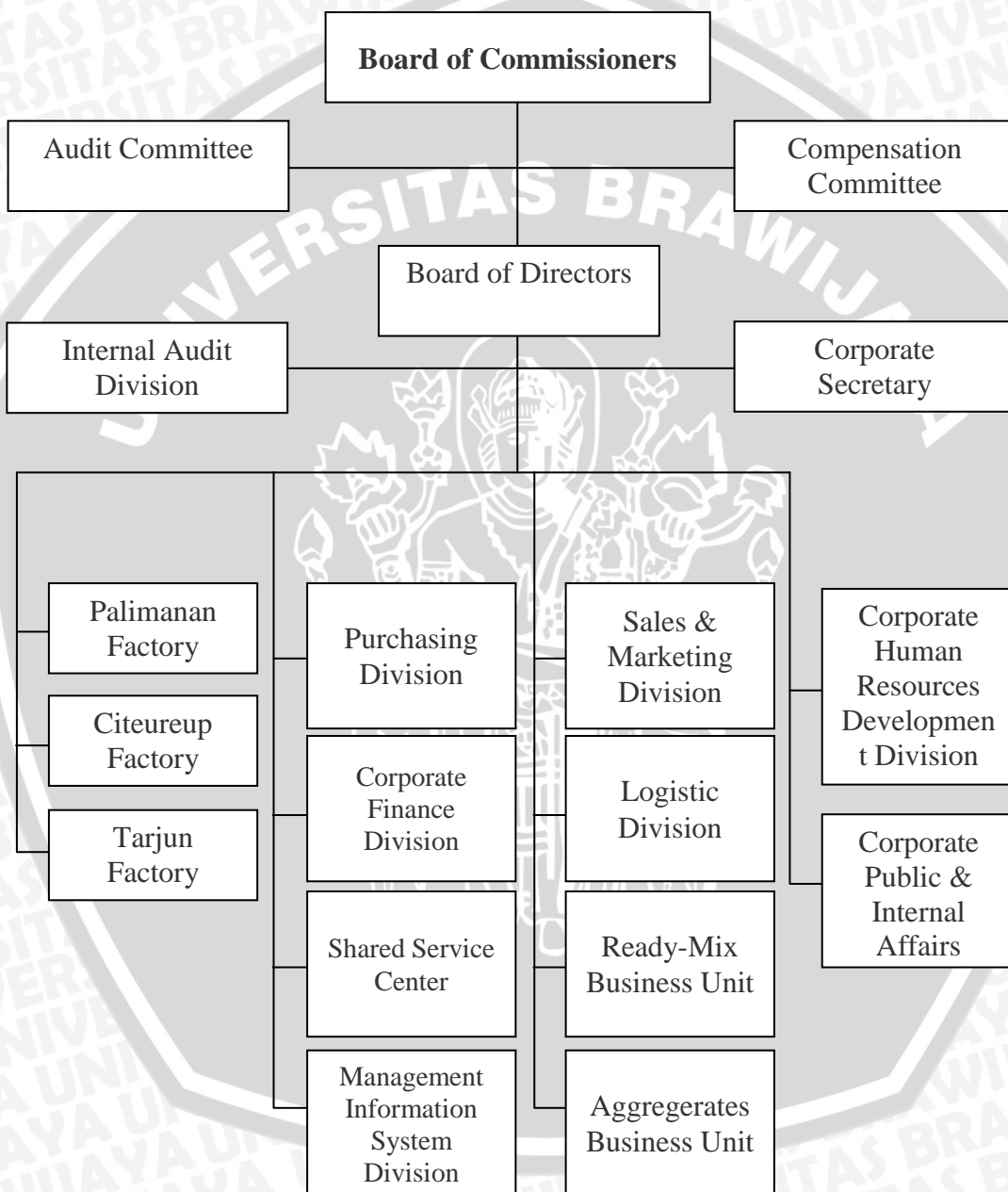


Figure 3 Organizational Structure of PT Indocement Tunggal Prakarsa Tbk

5. Human Resource and Development

As of year-end 2011 there were 6,316 employees working in Indocement and its subsidiaries. Effective human resources need to be unobtrusively aware of all aspects of the Company in order to participate in planning and be able to actuate the need of human resources development in all divisions. A strong adherence to the corporate mission and vision drives the Company to achieve excellence and give the utmost respect and care to employees. The Company human resources were able to implement effective human resources, health and safety and development programs across the entire spectrum of Indocement's activities. Year 2011 marked the peak of a natural retirement wave. This phenomenon will carry on for at least two more years. With 188 retirees compared to 152 in 2010, Indocement welcomed 197 new recruits to the fold. Significantly many of these positions were not straight up 1 for 1 replacements but modified, expanded and new jobs. Roles were expanded and many new positions created enabling Indocement to further tailor its human capital to meet new challenges. As of year end 2011 Indocement employs a total 6,316 people. Indocement's productivity manpower level improved 14% in 2011. Within the framework of the Millennium Development Goals, Indocement's CSR program particularly focuses on the goals of poverty reduction, education, and the environment. Many initiatives seek to engage and benefit the most underprivileged members of community, while others aim to create greater opportunities for promising individuals and potential community leaders. Implementing CSR activities with a sustainable development concept is a great breakthrough in integrating the

environmental conservation with the local community development programs related to Indocement's operations. The Company has successfully rehabilitated its ex-quarries, used alternative fuels to reduce CO2 emissions, and empowered local communities. Several great breakthroughs of the Company's CSR programs are:

- a. Jatropha Curcas
- b. Municipal Waste Management
- c. Integrated Husbandry
- d. Biogas from Cow Manure
- e. Community Training
- f. Conservation of Wildlife
- g. Uninhabitable Housing (RUTILAHU)
- h. Micro-finance
- i. Arts and Culture Centre

6. Corporate Social Responsibility

As a major producer of quality cement in Indonesia, Indocement has a strong commitment to continue doing business ethically and legally, contributing to efforts of developing the economy, and to improve the welfare of its employees and communities around its operations. Indocement will continue maintaining its business sustainability by taking a number of strategic steps. One of them is through the Corporate Social Responsibility ("CSR") program in all of its operational areas.

The Company bases its CSR programs on the sustainable development concept with Triple Bottom Lines, namely conserving the environment, providing benefits to local communities, and maintaining the growth of the company. The CSR programs implemented are based on the framework of Five Pillars, which are mostly philanthropic in nature. The Five Pillars, namely education, health, economic, social-cultural-religion-sport, and security, commonly known as community development, being conducted alongside with the sustainable development programs.

7. Subsidiaries

There are several subsidiaries which controlled by PT Indocement Tunggal Prakarsa Tbk. Names, business lines, and the location of Company's subsidiaries are as follows:

Table 1 List of Subsidiaries of PT Indocement Tunggal Prakarsa Tbk

Name of Company	Line of Business	Address	Ownership
PT Dian Abadi Perkasa	Domestic cement distributor	Wisma Indocement, Lantai 8 Jl. Jenderal Sudirman, Kav. 70-71, Jakarta 12910	99,96%
PT Gunung Tua Mandiri	Aggregates mining	Blok Gunung Tua, Desa Batujajar Kecamatan Cigudeg, Kabupaten Bogor	51,00%
PT Indomix Perkasa	Produces and sells ready-mix concrete	Wisma Indocement, Lantai 8 Jl. Jenderal Sudirman, Kav. 70-71, Jakarta 12910	99,99%
Indocement (Cayman Island) Ltd.	Investment	5th floor, Butterfield House, P.O. Box 219, George Town, Grand Cayman, Cayman Island	99,99%

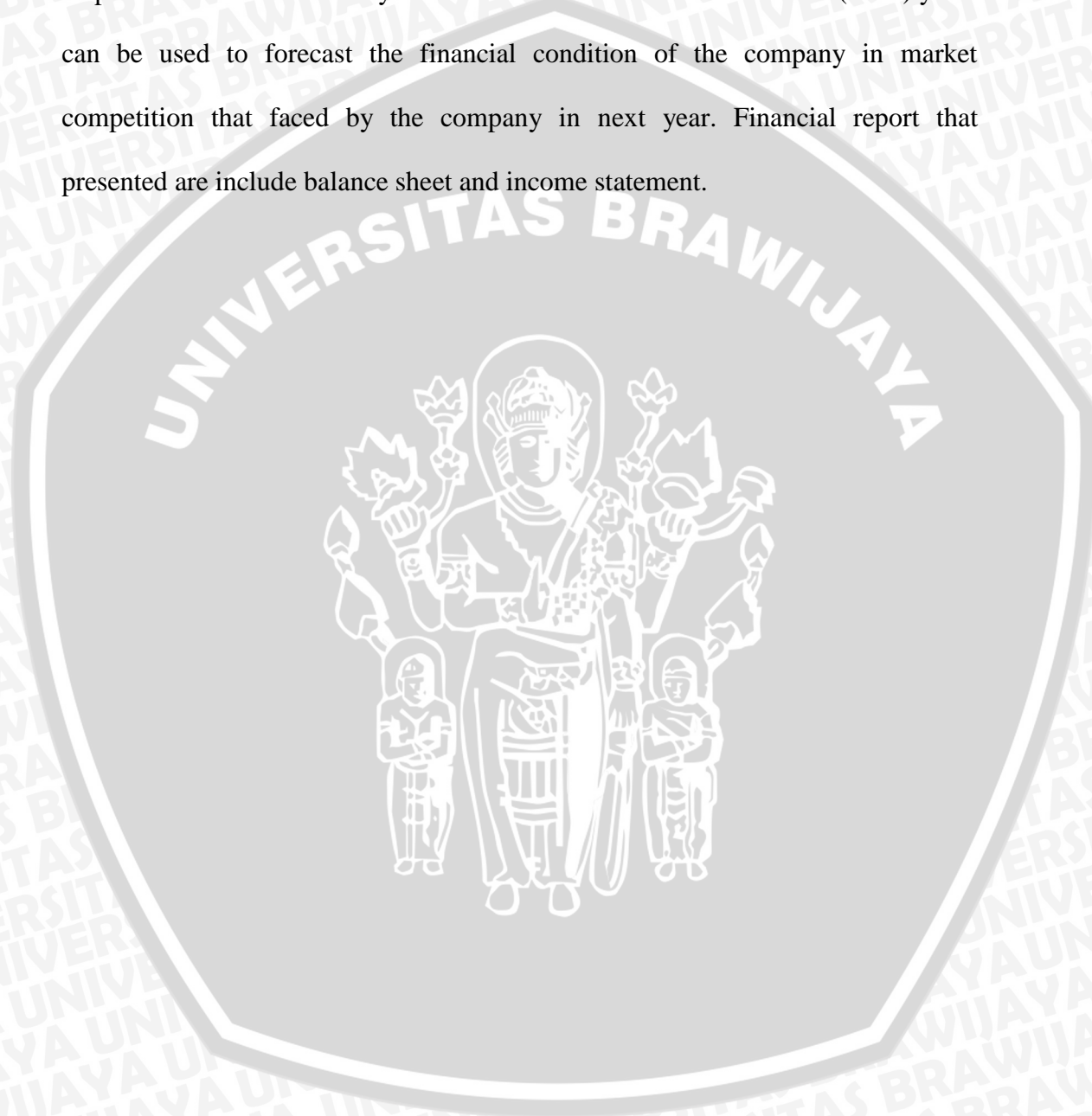
PT Lentera Abadi Sejahtera	Investment	Wisma Indocement, Lantai 13 Jl. Jenderal Sudirman, Kav. 70-71, Jakarta 12910	99,99%
PT Pionirbeton Industri*	Produces and sells ready-mix concrete	Wisma Indocement, Lantai 8 Jl. Jenderal Sudirman, Kav. 70-71, Jakarta 12910	99,99%
PT Bahana Indonor*	Owns and operates "MV Tiga Roda" dan "Quantum One"	Wisma Indocement, Lantai 8 Jl. Jenderal Sudirman, Kav. 70-71, Jakarta 12910	95,00%
PT Mandiri Sejahtera Sentra*	Aggregates mining	Kp. Cikakak RT/RW 009/005 Kelurahan Sukamulya, Kecamatan Tegalwaru, Purwakarta	99,99%
PT Mineral Industri Sukabumi*	Trass mining	Jl. Diponegoro No. 7 Kel. Gunung Puyuh, Kec. Gunung Puyuh, Sukabumi	99,98%
PT Sahabat Muliasakti	Mining, trading, building, transportation, industry, agriculture, workshop and service	Kompleks Pertokoan Jurnatan B-50 Kec. Semarang Tengah, Semarang	99,60%
PT Multi Bangun Galaxy*	Operates cement terminal	Pelabuhan Lembar, Lombok	99,00%
PT Cibinong Center Industrial Estate	Manages an industrial park situated in the vicinity of Citeureup Factory	Kp. Pasir Tangkil RT/RW 013/005 Bantarjati-Klapanunggal, Bogor 16820	50,00%
PT Pama Indo Mining	Engages in clay and limestone mining services	Jl. Rawa Gelam I No. 9 Kawasan Industri Pulogadung, Jakarta Timur	40,00%

*Owned indirectly through a subsidiary

Source: PT Indocement Tunggal Prakarsa Tbk, 2011

B. Financial Data Presentation

In order to know development of a company, financial report of company will be presented as follow from year 2009-2011. The data are taken for 3 (three) years can be used to forecast the financial condition of the company in market competition that faced by the company in next year. Financial report that presented are include balance sheet and income statement.













C. Data Analysis and Interpretation

1. Financial Ratio Analysis Data

Data that used in financial ratio analysis is balance sheet and income statements in period 2009-2011. Regarding on those financial report, it can be known several ratios then from those result, it can be used to measure several aspects from company operation. Several ratios that used as follows :

a. Liquidity Ratio

1) Net working capital

Net working capital = current assets – current liabilities

Table 4 Calculation of Net Working Capital

	2009	2010	2011
current asset	5,341,089,000,000	7,484,807,000,000	10,314,573,000,000
current liabilities	1,779,231,000,000	1,347,706,000,000	1,476,597,000,000
Net Working Capital	3,561,858,000,000	6,137,101,000,000	8,837,976,000,000

Net working capital are used to calculate how much excess of current asset over current liabilities. Based on the calculation above, it can be seen that net working capital PT Indocement Tunggal Prakarsa Tbk.in 2009 until 2011 are increase significantly every year which is Rp 3,561,858,000,000 in 2008, Rp 6,137,101,000,000 in 2009 and Rp 8,837,976,000,000 in 2010. It shows that funds which exist in current assets are also higher rather than the current liabilities. Therefore, it has effect the increasing of net working capital from 2009-2011. Since the increasingly of net working capital in company, it can be said that the liquidity of PT Indocement Tunggal Prakarsa Tbk. are good.

2) Current Ratio

$$\text{Current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$$

Table 5 Calculation of Current Ratio

	2009	2010	2011
current asset	5,341,089,000,000	7,484,807,000,000	10,314,573,000,000
current liabilities	1,779,231,000,000	1,347,706,000,000	1,476,597,000,000
current ratio	300.19%	555.37%	698.54%

Current ratio compares the 'liquid' assets (that is, assets held cash and those that will soon be turned into cash) of the business with the current liabilities. Based on the calculation above, it can be seen that current ratio PT Indocement Tunggal Prakarsa Tbk. are increase in every year. The calculation result shows that in 2009 current ratio of the company as 300.19%, meanwhile in 2009 is 555.37%. This amount are increase also in 2011 become 698.54%. For a company, general guidance current ratio 200% are categorized as good. Therefore, seeing the result of current ratio PT Indocement Tunggal Prakarsa Tbk. are more that 200% means that the capability of the company to pay the liabilities by existed current assets are too high and it has to be decrease until 200%.

3) Quick ratio

$$\text{Quick Ratio} = \frac{\text{Current assets} - \text{inventory}}{\text{Current Liabilities}}$$

Table 6 Calculation of Quick Ratio

	2009	2010	2011
current asset	5,341,089,000,000	7,484,807,000,000	10,314,573,000,000
inventory	1,269,425,000,000	1,299,549,000,000	1,327,720,000,000
current liabilities	1,779,231,000,000	1,347,706,000,000	1,476,597,000,000
Quick ratio	228.84%	458.95%	608.62%

Quick ratio measures if the firm would be able to repay its short-term liability if inventory are not exist. Regarding the analysis above, quick ratio from the company are increase since 2009 until 2011. In 2009, the amount of cash ratio shows 228.84%, meanwhile in 2010 shows the higher number which is 458.95% and last in 2011 it shows 608.62%. Meanwhile good quick ratio are 100%. It means that the capability of the company to pay current liabilities with available current assets are too liquid and has to decrease until 100%. This condition should be noticed by the company in order to improve working capital management to be more effective and efficient.

4) Cash ratio

$$\text{Cash Ratio} = \frac{\text{cash} + \text{cash equivalents}}{\text{current liabilities}}$$

Table 7 Calculation of Cash Ratio

	2009	2010	2011
cash+cash equivalent	2,623,473,000,000	4,684,870,000,000	6,864,567,000,000
current liabilities	1,779,231,000,000	1,347,706,000,000	1,476,597,000,000
Cash ratio	147.45%	347.62%	464.89%

Cash ratio shows the ability of the company to finance the liabilities with available cash and cash equivalent in company. For a company, general guidance

for cash ratio between 5%-15% are categorized as good. The bigger amount of cash ratio shows the cash that exist in company is bigger too. The amount of cash in company should be suitable with the need of company, so it can be used effectively. Cash ratio for PT Indocement Tunggal Prakarsa Tbk. are fluctuated since 2009 until 2011 which 147,45% in 2009, then cash ratio in 2009 is 347,62% , and in 2010 is 464,89%. Meanwhile for PT Indocement Tunggal Prakarsa Tbk. are not good enough because the quick ratio are over the standards which is more than 5%-15%.

Regarding the calculation above, it can be concluded that :

Table 8 Recapitulation Liquidity Ratio PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011

Ratio	Year		
	2009	2010	2011
1. Net Working Capital	3,561,858,000,000	6,137,101,000,000	8,837,976,000,000
2. Current Ratio	300.19%	555.37%	698.54%
3. Quick Ratio	228.84%	458.95%	608.62%
4. Cash Ratio	147,45%	347,62%	464,89%

b. Activity Ratio

1) Asset Turnover

$$\text{Asset turnover ratio} = \frac{\text{Sales}}{\text{Total assets}}$$

Table 9 Calculation of Total Asset Turnover

	2009	2010	2011
sales	10,576,456,000,000	11,137,805,000,000	13,887,892,000,000
total asset	13,276,515,000,000	15,346,146,000,000	18,151,331,000,000
Total asset turnover	0.80 times	0.73 times	0.77 times

The asset turnover measures the turnover of all the firm's assets. Based on the calculation above, it can be concluded that asset turnover of the company are fluctuated. In 2009, asset turnover of the company is 0.80 and in 2010 it decrease become 0.73 times. Meanwhile in 2011 it increase become 0.77 times. It means that asset turnover in this company are not stabilize enough and not effective enough because the calculation lower than 1 times.

2) Inventory Turnover

$$\text{Inventory turnover} = \frac{\text{cost of good sold}}{\text{inventories}}$$

Table 10 Calculation of Inventory Turnover

	2009	2010	2011
cost of good sold	5,468,017,733,384	5,597,042,805,995	7,473,669,000,000
inventory	1,269,425,000,000	1,299,549,000,000	1,327,720,000,000
inventory turnover	4.31	4.31	5.63

Inventory turnover is used to measure fund ability that invested in company that turnover in certain period. Seeing the result of inventory turnover, in 2009 until 2010, the result of inventory turnover is not change which is 4.31 times, and increase in 2011 become 5.63 times. Regarding to the data, inventories that exist in company are increase in every year but not big between 2009 and 2010. Because the inventory turnover are same between 2009 and 2010, the company need to improve the management to be more effective and efficient in managing funds that exist in inventory.

3) Average Day Inventory

$$\text{Average Day Inventory} = \frac{\text{inventories} \times 360}{\text{cost of good sold}}$$

Table 11 Calculation of Average Day Inventory

	2009	2010	2011
inventory	1,269,425,000,000	1,299,549,000,000	1,327,720,000,000
cost of good sold	5,468,017,733,384	5,597,042,805,995	7,473,669,000,000
average day inventory	83.58	83.59	63.96

Average day inventory help the manager to quantify the operating cycle. It is also used to calculate the average period inventory that exist in company. Seeing the result of average day inventory, in 2009 until 2010, the result of inventory turnover is not big different which is 83.58 days in 2009 and 83.59 in 2010, and increase in 2011 become 63.96 days. Because the average day of inventory are almost same between 2009 and 2010, the company need to improve the management to be more effective and efficient in managing inventory.

4) Account Receivable Turnover

$$\text{Account Receivable Turnover} = \frac{\text{Sales}}{\text{Average Account Receivable}}$$

Table 12 Calculation of Account Receivable Turnover

	2009	2010	2011
Sales	10,576,456,000,000	11,137,805,000,000	13,887,892,000,000
account receivable	84,621,000,000	64,329,000,000	27,891,000,000
average account receivable	84,621,000,000	74,475,000,000	46,110,000,000
Account receivable turnover	125	150	301

Account receivable turnover used to measure capability of the company in managing their fund that invested in receivable that rotating in certain period. Regarding to the analysis above, can be known that account receivable turnover are always increase from 2009 until 2011. Account receivable in 2009 is 125 times meanwhile in 2010 it shows that the result of account receivable turnover are 150 times and in 2011 are increase become 301 times. This result are indicate that working capital which exist account receivable of the company are increase in every year. Therefore, it can be said that the company are not effective enough to collect the receivable from the debtor. Seeing this condition, it's very needed from the company to keep and improve the account receivable turnover in order to make working capital become more effective and efficient.

5) Average collection period

$$\text{Average collection period} = \frac{\text{Average account receivable} \times 360}{\text{sales}}$$

Table 13 Calculation of Average Collection Period

	2009	2010	2011
account receivable	84,621,000,000	64,329,000,000	27,891,000,000
average account receivable	84,621,000,000	74,475,000,000	46,110,000,000
sales	10,576,456,000,000	11,137,805,000,000	13,887,892,000,000
average collection period	2.88	2.41	1.20

Average collection period is used to calculate the average period that needed by the company to collecting receivables. If the result showing the lower

number means that the result is good. Based on the analysis above, can be known that average collection period is always decrease every year. Average collection period in 2009 is 2.88 days meanwhile in 2010 it shows 2.41 days and in 2011 are increase become 1.20 days.

6) Working capital turnover

$$\text{Working capital turnover} = \frac{\text{Sales}}{\text{current asset} - \text{current liabilities}}$$

Table 14 Calculation of Working Capital Turnover

	2009	2010	2011
sales	10,576,456,000,000	11,137,805,000,000	13,887,892,000,000
current asset	5,341,089,000,000	7,484,807,000,000	10,314,573,000,000
current liabilities	1,779,231,000,000	1,347,706,000,000	1,476,597,000,000
working capital turnover	2.97	1.81	1.57

Working capital turnover is used to measure the ability of working capital that rotated in certain period of cash cycle which exist in company. Based on the analysis above, can be known that working capital turnover are decrease in every year. Working capital turnover in 2009 is 2.97 times meanwhile in 2010 it shows that the result 1.81 times and in 2011 are decrease become 1.57 times.

Regarding the calculation above, it can be concluded that :

Table 15 Recapitulation Activity Ratio PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011

Ratio	Year		
	2009	2010	2011
1. Total asset Turnover	0.80 times	0.73 times	0.77 times
2. Inventory Turnover	4.31 times	4.31 times	5.63 times
3. Average day inventory	83.58 days	83.59 days	63.96 days
4. Account Receivable Turnover	125 times	150 times	301 times
5. Average collection period	2.88 days	2.41 days	1.20 days
6. Working capital turnover	2.97 times	1.81 times	1.57 times

c. Profitability Ratios

1. Gross Profit Margin

$$\text{Gross Profit Margin} = \frac{\text{Gross Profit}}{\text{Revenues}} \times 100\%$$

Table 16 Calculation of Gross Profit Margin

	2009	2010	2011
Gross Profit	5,108,438,000,000	5,540,762,000,000	6,414,223,000,000
Revenue	10,576,456,000,000	11,137,805,000,000	13,887,892,000,000
Gross Profit Margin	48.30%	49.75%	46.19%

Seeing the calculation of gross profit margin for PT Indocement Tunggal Prakarsa Tbk. are always increase since 2009 until 2011. In 2009, gross profit margin of the company is 48.30% and in 2010 it increase become 49.75%, but in 2011 it decrease as 46.19%. Gross profit margin also showing the percentage of

gross profit compare with sales volume. A higher gross profit margin of the company, the operational condition of the company also showing good condition. Seeing the number of the result of gross profit margin means that condition of the company are good, but it need to be stabilize anymore.

2. Net Profit Margin

$$\text{Net Profit Margin} = \frac{\text{net income}}{\text{net sales}} \times 100\%$$

Table 17 Calculation of Net Profit Margin

	2009	2010	2011
Net Income	2,748,586,000,000	3,224,681,000,000	3,601,516,000,000
Net Sales	10,576,456,000,000	11,137,805,000,000	13,887,892,000,000
Net Profit Margin	25.99%	28.95%	25.93%

Based on the calculation for last three years, it can be found that net profit margin of this company are increase every year. In 2009, net profit margin of PT Indocement Tunggal Prakarsa Tbk.is 25.97% then it increase in 2010 become 28.95% and last in 2011 net profit margin of this company decrease become 25.93%. Net profit margin from this company are increase because net income after tax are balanced with sales volume.

3. Return on Investment (ROI)

$$\text{ROI} = \frac{\text{Net income}}{\text{Total assets}} \times 100\%$$

Table 18 Calculation of Return on Investment (ROI)

	2009	2010	2011
Net Income	2,748,586,000,000	3,224,681,000,000	3,601,516,000,000
Total Asset	13,276,515,000,000	15,346,146,000,000	18,151,331,000,000
ROI	20.70%	21.01%	19.84%

Seeing the result analysis of return on investment (ROI) for PT Indocement Tunggal Prakarsa Tbk. are always increase since 2009 until 2010. In 2009, ROI for this company is 20.70% and it increase in 2010 become 21.01%. Last, in 2011 ROI for this company are decrease become 19.84%. It means that fund that has been invested to the company has return in those number. That's why we can conclude that eventhought the ROI still rising up and down, but it give good return for the company.

4. Return on Assets (ROA)

$$ROA = \frac{\text{Earning Before Interest After Tax (EBIAT)}}{\text{Total assets}} \times 100\%$$

Table 19 Calculation of Return on Assets (ROA)

	2009	2010	2011
Earning before interest and tax (EBIT)	3,693,305,000,000	4,061,213,000,000	4,418,023,000,000
Total Asset	13,276,515,000,000	15,346,146,000,000	18,151,331,000,000
ROA	27.82%	26.46%	24.34%

The return on assets ratio measures how efficiently the firm uses its total assets to generate income. Based on the calculation for last three years, it can be found that return on asset of this company are decrease every year. In 2009, return on asset of PT Indocement Tunggal Prakarsa Tbk. is 27.82% then it decrease in 2010 become 26.46% and last in 2011 return on asset of this company become 24.34%. Overall seeing the analysis above, it shows that return on asset for PT Indocement Tunggal Prakarsa Tbk. in 2009 until 2011 has already good because it

can give high return for the company but it still has to be repaired in order to make the ROA more stable.

5. Return on Equity (ROE)

$$ROE = \frac{\text{Net income}}{\text{Stockholder's equity}} \times 100\%$$

Table 20 Calculation of Return on Equity (ROE)

	2009	2010	2011
Net income	2,748,586,000,000	3,224,681,000,000	3,601,516,000,000
Stockholders's Equity	10,704,194,000,000	13,100,598,000,000	15,733,951,000,000
ROE	25.68%	24.61%	22.89%

Based on the calculation for last three years, it can be found that return on equity of this company are decrease every year. In 2009, return on asset of PT Indocement Tunggal Prakarsa Tbk. is 25.68% then it decrease in 2010 become 24.61% and last in 2011 return on asset of this company become 22.89%.

Based on the calculation above, it can be concluded as follows :

Table 21 Recapitulation Profitability Ratio PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011

Ratio	Year		
	2009	2010	2011
1. Gross Profit Margin	48.30%	49.75%	46.19%
2. Net Profit Margin	25.97%	28.95%	25.93%
3. Return on Investment (ROI)	20.70%	21.01%	19.84%
4. Return on Assets (ROA)	28.59%	27.68%	25.94%
5. Return on Equity (ROE)	25.68%	24.61%	22.89%

d. Debt Ratio

$$1. \text{ Debt ratio} = \frac{\text{Total liabilities}}{\text{Total assets}}$$

Table 22 Calculation of Debt Ratio

	2009	2010	2011
Total Liabilities	2,572,321,000,000	2,245,548,000,000	2,417,380,000,000
Total Assets	13,276,515,000,000	15,346,146,000,000	18,151,331,000,000
Debt Ratio	19.37%	14.63%	13.32%

Seeing the calculation above, debt ratio for PT Indocement Tunggal Prakarsa Tbk. are decrease every year. Starting from 2009 the debt ratio result is 19.37%, then it decrease in 2010 become 14.63% and last in 2011 it become 13.32%. Basically, debt ratio standard is 50%, because with those standard means that the company has ability to pay the liabilities with the total asset, therefore when the standard has already achieve 50%, it shows that this company already fulfill standard of debt ratio. Regarding the calculation above, it means that the company still under standard of debt ratio, and it need to be increase until 50%.

2. Effectiveness Working Capital Management Analysis

Working capital can be categorized as effective and efficient if the elements of working capital in company suitable with the determined standard.

a. Managing Cash

Cash assessed as the most liquid component of working capital. The amount of cash in company should not be excess because it has effect the fund in company not productive, therefore it make the company loss. On the other hand, if the amount of cash is too small, it will be disturb the company's continuity. Because of that, the amount of cash should be suitable with the need of company.

Table 23 Cash Turnover PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011

	2009	2010	2011
Cash	2,623,473,000,000	4,684,870,000,000	6,864,567,000,000
Current Asset	5,341,089,000,000	7,484,807,000,000	10,314,573,000,000
Cash Turnover	49.12%	62.59%	66.55%

Based on the calculation above, cash turnover are excess the limit which is 5%-10% from current assets. The excess of cash have tendencies will be disturb the operating activity, so the company need to decrease the amount of cash or increase the current asset to achieve ideal measurement, which is 5%-10%.

b. Managing Account Receivable

The effective and efficient management of account receivable can be assess by Average Age of Account Receivable.

Table 24 Average Collection Period of PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011

	2009	2010	2011
sales	10,576,456,000,000	11,137,805,000,000	13,887,892,000,000
account receivable	84,621,000,000	64,329,000,000	27,891,000,000
avg acc receivable	84,621,000,000	74,475,000,000	92,220,000,000
average collection period	125 times	150 times	151 times

Average collection period is also called as average age of account receivable. It used to calculate the average period that needed by the company to collecting receivables. If the result showing the lower number means that the result is good. Based on the analysis above, can be known that average collection period is always increase every year. Average collection period in 2009 is 125

times or 4 months meanwhile in 2010 it shows 150 times and in 2011 are increase become 151 times or 5 months. Eventhough the amount is higher but it means that the period that needed by company to collecting receivable become longer. That's why if company want to make their working capital become more effective they have to make the collecting period of account receivable become shorter.

c. Managing Inventory

Inventory is most unliquid element of working capital, that's why it need really good management. The effective and efficient working capital management can be measure by average age of inventory.

Table 25 Calculation of Average Day Inventory

	2009	2010	2011
inventory	1,269,425,000,000	1,299,549,000,000	1,327,720,000,000
cost of good sold	5,468,017,733,384	5,597,042,805,995	7,473,669,000,000
average day inventory	83.58	83.59	63.96

Average day inventory help the manager to quantify the operating cycle. It is also used to calculate the average period inventory that exist in warehouse. Seeing the result of average day inventory, in 2009 until 2010, the result of inventory turnover is not big different which is 83.58 times in 2009 and 83,59 in 2010, and decrease in 2011 become 63.96 times. It means that the inventory which exist in warehouse become shorter. Seeing the average day of inventory are almost same between 2009 and 2010, the company need to improve the management to be more effective and efficient in managing inventory.

d. Managing Account Payable

The amount of payable must be suit with the need of fund for the company. If the amount of payable is too big it caused the amount of cash in company bigger. This condition wouldn't give good impact for company because the fund will be not productive.

Table 26 Calculation of Account Payable Turnover

	2009	2010	2011
Purchase	23,410,000,000	53,189,000,000	71,591,000,000
Trade payables	-	3,028,000,000	19,496,000,000
Average trade payable	-	3,028,000,000	11,262,000,000
Account payable turnover	-	17.57 times	6.36 times
Times of Payable	-	20	57

Based on the calculation above, account payable turnover ratio showing good result, meanwhile in 2009 the company doesn't have trade payable. In 2010 it shows the result is 17.57 times than it decrease become 6.36 times.

3. Financial Projection

Regarding from financial ratio analysis that explained before it can be arranged financial statement projection. Basis for arrangement of projected financial statement is practical approach. Steps that has to be done to make projected financial statement in next year are as follows:

- Arrange selling projection in next year (2012) based on income statement in previous year, so it will be seen from profitability aspects.
- Arrange projected financial statement (balance sheet and income statements) in next year (2012).

- c. Calculate ratio analysis to those projection in order to know whether the action has been done can improve company's profitability.

Therefore, from the steps above, it can be implemented as follows :

a. Sales Projection

Sales projection in next year (2012) can be done by least square method

and it can be calculated as follows :

$$Y = a + bX$$

$$a = \frac{\sum y}{n}$$

$$b = \frac{\sum xy}{\sum x^2}$$

where :

Y = dependent variable

X = independent variable

a = constant value

b = coefficient of regression

n = amount of data

Table 27 Sales Projection by Least Square Method PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011 (in tons)

N	Year	Sales (Y)	X	XY	X ²
1	2009	11.805.440	-1	-11.805.440	1
2	2010	12.932.032	0	0	0
3	2011	15.401.987	1	15.401.987	1
	Σ	40.139.459	0	3.596.547	2

$$a = \frac{\sum y}{n} = \frac{40.139.459}{3} = 13.379.820$$

$$b = \frac{\sum xy}{\sum x^2} = \frac{3.596.547}{2} = 1.798.274$$

$$y = a + bX$$

$$\text{Sales projection in year 2012} = 13.379.820 + 1.798.274 (2)$$

$$= 13.379.820 + 3.596.547$$

$$= 16.976.367 \text{ tons}$$

Therefore, selling projected for year 2012 is 16.976.367 tons.

Table 28 Selling Data of PT Indocement Tunggal Prakarsa Tbk.

Sales (Rupiah)	volume (ton)	Selling Price per ton
10.576.456.000.000	11.805.440	895.897
11.137.805.000.000	12.932.032	861.257
13.887.892.000.000	15.401.987	901.695

Table 29 Sales Projection by Least Square Method PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011 (per tons in Rupiah)

N	Year	Sales (Y)	X	XY	X ²
1	2009	895.897	-1	-895.897	1
2	2010	861.257	0	0	0
3	2011	901.695	1	901.695	1
	Σ	2.658.849	0	5.798	2

$$a = \frac{\sum y}{n} = \frac{2.658.849}{3} = 886.283$$

$$b = \frac{\sum xy}{\sum x^2} = \frac{5.798}{2} = 2.899$$

$$y = a + bX$$

$$\text{Sales projection in year 2012} = 886.283 + 2.899 (2)$$

$$= 886.283 + 5.798$$

$$= \text{Rp } 892.081$$

Therefore, selling projected for year 2012 is Rp 892.081 per tons.

$$\begin{aligned}
 \text{Sales projection in year 2012} &= \text{sales projection (in Rupiah) x Sales projection (in tons)} \\
 &= \text{Rp } 892.081 \times 16.976.367 \text{ tons} \\
 &= \text{Rp } 15.144.294.152.367
 \end{aligned}$$

b. Income Statement Projection

Before made balance sheet and income statement projection, it must be done several estimation such as income and cost estimation. Income and cost estimation used percentage selling method therefore the calculation as follows :

1) Selling Expenses

Selling expenses projected increase balanced with the increasing of sales in 2012 as follows :

$$\begin{aligned}
 &= \frac{\text{sales expenses in 2011}}{\text{sales in 2011}} \times 100\% \\
 &= \frac{(1.649.258.000.000)}{13.887.892.000.000} \times 100\% = 11,88 \%
 \end{aligned}$$

Selling expenses estimation in 2012

$$\begin{aligned}
 &= 11,88 \% \times \text{sales in 2012} \\
 &= 11,88 \% \times 15.144.294.152.367 \\
 &= \text{Rp } (1,798,462,162,951)
 \end{aligned}$$

2) General and Administration Expenses

General and administration expenses projected increase balanced with the increasing of sales in 2012 as follows :

$$\begin{aligned}
 &= \frac{\text{general and administration expenses in 2011}}{\text{sales in 2011}} \times 100\% \\
 &= \frac{(337.972.000.000)}{13.887.892.000.000} \times 100\% = 2,43\%
 \end{aligned}$$

General and administration expenses estimation in 2012

$$\begin{aligned}
 &= 2,43\% \times \text{sales in 2012} \\
 &= 2,43\% \times 15.144.294.152.367 \\
 &= \text{Rp } (368,547,464,458)
 \end{aligned}$$

3) Cost of revenue

Cost of revenue projected increase balanced with the increasing of sales in 2012 as follows :

$$\begin{aligned}
 &= \frac{\text{cost of revenue in 2011}}{\text{sales in 2011}} \times 100\% \\
 &= \frac{(7.473.669.000.000)}{13.887.892.000.000} \times 100\% = 53,81\%
 \end{aligned}$$

Cost of good sold estimation in 2012

$$\begin{aligned}
 &= 53,81\% \times \text{sales in 2012} \\
 &= 53,81\% \times 15.144.294.152.367 \\
 &= \text{Rp } (8,149,792,764,332)
 \end{aligned}$$

4) Other Operating Income

Other operating income projected increase balanced with the increasing of sales in 2012 as follows :

$$\begin{aligned}
 &= \frac{\text{Other operating income in 2011}}{\text{sales in 2011}} \times 100\% \\
 &= \frac{60.079.000.000}{13.887.892.000.000} \times 100\% = 0,43\%
 \end{aligned}$$

Other operating income estimation in 2012

$$\begin{aligned}
 &= 0,43\% \times \text{sales in 2012} \\
 &= 0,43\% \times 15.144.294.152.367 \\
 &= \text{Rp } 65,514,193,830
 \end{aligned}$$

5) Other Operating Expenses

Other operating expenses projected increase balanced with the increasing of sales in 2012 as follows :

$$= \frac{\text{Other operating expenses in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{(69.049.000.000)}{13.887.892.000.000} \times 100\% = 0,50\%$$

Other operating expenses estimation in 2012

$$= 0,50\% \times \text{sales in 2012}$$

$$= 0,50\% \times 15.144.294.152.367$$

$$= \text{Rp } (75,295,686,842)$$

6) Finance Income

Finance income projected increase balanced with the increasing of sales in 2012 as follows :

$$= \frac{\text{Finance income in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{305,727,000,000}{13.887.892.000.000} \times 100\% = 2,20\%$$

Finance income estimation in 2012

$$= 2,20\% \times \text{sales in 2012}$$

$$= 2,20\% \times 15.144.294.152.367$$

$$= \text{Rp } 333,385,341,585$$

7) Finance Cost

Finance cost projected increase balanced with the increasing of sales in 2012 as follows :

$$= \frac{\text{finance cost in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{(23,848,000,000)}{13,887,892,000,000} \times 100\% = 0,38\%$$

Finance cost estimation in 2012

$$= 0,38\% \times \text{sales in 2012}$$

$$= 0,38\% \times 15.144.294.152.367$$

$$= \text{Rp } (26,005,467,709)$$

8) Equity in net earnings of associated companies - net

Equity in net earnings of associated companies projected increase balanced with the increasing of sales in 2012 as follows :

$$= \frac{\text{Equity in net earnings of associated companies in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{8,254,000,000}{13,887,892,000,000} \times 100\% = 0,06\%$$

Equity in net earnings of associated companies in 2012

$$= 0,06\% \times \text{sales in 2012}$$

$$= 0,06\% \times 15.144.294.152.367$$

$$= \text{Rp } 9,000,718,319$$

9) Current tax

Current tax projected increase balanced with the increasing of sales in year 2012 as follows :

Table 30 Current Tax by Least Square Method PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011

N	Year	Tax (Y)	X	XY	X ²
1	2009	20,741,000,000	-1	(20,741,000,000)	1
2	2010	(6,119,000,000)	0	0	0
3	2011	(23,032,000,000)	1	(23,032,000,000)	1
	Σ	(8,410,000,000)	0	(43,773,000,000)	2

$$a = \frac{\sum y}{n} = \frac{(8,410,000,000)}{3} = (2,803,333,333.33)$$

$$b = \frac{\sum xy}{\sum x^2} = \frac{(43,773,000,000)}{2} = (21,886,500,000.00)$$

$$y = a + bX$$

$$\begin{aligned} \text{Tax projection in 2012} &= (2,803,333,333.33) + (21,886,500,000.00) (2) \\ &= (2,803,333,333.33) + (43,773,000,000) \\ &= (46,576,333,333.33) \end{aligned}$$

Therefore, current tax projected for year 2012 is Rp (46,576,333,333.33) .

c. Balance Sheet Projection

Before arranged the projected balance sheet in 2012, firstly must be calculate estimation balance based on calculation that has been made. The limitation are as follows :

1) Receivable Estimation

$$\text{Average collection period} = \frac{\text{Sales}}{\text{average account receivable}}$$

$$151 = \frac{13,887,892,000,000}{\text{average account receivable}}$$

$$151 \times \text{average account receivable} = 13,887,892,000,000$$

$$\text{Average account receivable} = 91,972,794,702$$

$$91,972,794,702 = \frac{\text{account receivable 2011} + \text{account receivable 2012}}{2}$$

$$183,945,589,404 = \text{account receivable 2011} + \text{account receivable 2012}$$

$$183,945,589,404 = 27,891,000,000 + \text{account receivable 2012}$$

$$\text{account receivable 2012} = 156,054,589,404$$

Therefore, account receivable estimation for 2012 is Rp 156,054,589,404

2) Inventory Estimation

$$\text{Average age of inventory} = \frac{\text{Average inventory} \times 360}{\text{cost of good sold 2012}}$$

$$63.96 = \frac{\text{Average inventory} \times 360}{8,149,792,764,332}$$

$$\text{average inventory} \times 360 = 521,260,745,206,675$$

$$\text{average inventory} = 1,447,946,514,463$$

$$1,447,946,514,463 = \frac{\text{inventory 2011} + \text{inventory 2012}}{2}$$

$$2,895,893,028,926 = \text{inventory 2011} + \text{inventory 2012}$$

$$2,895,893,028,926 = 1,327,720,000,000 + \text{inventory 2012}$$

$$\text{Inventory 2012} = 1,568,173,028,926$$

Therefore, account receivable estimation for 2012 is Rp 1,568,173,028,926

3) Cash and cash equivalents

$$= \frac{\text{Cash and cash equivalents in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{6,864,567,000,000}{13,887,892,000,000} \times 100\% = 49.43\%$$

Trade account receivable estimation in 2012

$$= 49.43\% \times \text{sales in year 2012}$$

$$= 49.43\% \times 15,144,294,152,367$$

$$= \text{Rp } 7,485,586,860,600$$

4) Related Party

$$= \frac{\text{Related Party in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{1,908,525,000,000}{13,887,892,000,000} \times 100\% = 13.74\%$$

Related party estimation in 2012

$$= 13.74\% \times \text{sales in year 2012}$$

$$= 13.74\% \times 15,144,294,152,367$$

$$= \text{Rp } 2,081,184,386,885$$

5) Other receivables

$$= \frac{\text{Other receivables in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{6,619,000,000}{13,887,892,000,000} \times 100\% = 0.05\%$$

Other receivables estimation in 2012

$$= 0.05\% \times \text{sales in year 2012}$$

$$= 0.05\% \times 15,144,294,152,367$$

$$= \text{Rp } 7,217,804,041$$

6) Related parties

$$= \frac{\text{Related parties in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{33,734,000,000}{13,887,892,000,000} \times 100\% = 0.24\%$$

Related parties estimation in 2012

$$= 0.24\% \times \text{sales in year 2012}$$

$$= 0.24\% \times 15,144,294,152,367$$

$$= \text{Rp } 36,785,828,903$$

7) Advances and deposits

$$= \frac{\text{Advances and deposits in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{108,415,000,000}{13,887,892,000,000} \times 100\% = 0.78\%$$

Advances and deposits estimation in 2012

$$= 0.78\% \times \text{sales in year 2012}$$

$$= 0.78\% \times 15,144,294,152,367$$

$$= \text{Rp } 118,223,028,414$$

8) Prepaid taxes

Prepaid tax projected increase balanced with the increasing of sales in year 2012 as follows :

Table 31 Prepaid Tax by Least Square Method PT Indocement Tunggal Prakarsa Tbk. Year 2009-2011

N	Year	Tax (Y)	X	XY	X ²
1	2009	5,306,000,000	-1	-5,306,000,000	1
2	2010	4,114,000,000	0	0	0
3	2011	14,356,000,000	1	14,356,000,000	1
	Σ	23,776,000,000		9,050,000,000	2

$$a = \frac{\sum y}{n} = \frac{(23,776,000,000)}{3} = 7,925,333,333$$

$$b = \frac{\sum xy}{\sum x^2} = \frac{9,050,000,000}{2} = 4,525,000,000$$

$$y = a + bX$$

$$\text{Tax projection in 2012} = 7,925,333,333 + 4,525,000,000 (2)$$

$$= 7,925,333,333 + 9,050,000,000$$

$$= 16,975,333,333$$

Therefore, prepaid tax projected for year 2012 is Rp 16,975,333,333.

9) Prepaid expenses

$$= \frac{\text{Prepaid expenses in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{22,746,000,000}{13,887,892,000,000} \times 100\% = 0.16\%$$

Prepaid expenses estimation in 2012

$$= 0.16\% \times \text{sales in year 2012}$$

$$= 0.16\% \times 15,144,294,152,367$$

$$= \text{Rp } 24,803,772,580$$

10) Deferred tax assets

$$= \frac{\text{Deferred tax assets in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{32,442,000,000}{13,887,892,000,000} \times 100\% = 0.23\%$$

Deferred tax assets estimation in 2012

$$= 0.23\% \times \text{sales in year 2012}$$

$$= 0.23\% \times 15,144,294,152,367$$

$$= \text{Rp } 35,376,944,960$$

11) Long-term investments and advances

$$= \frac{\text{Long-term investments and advances in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{337,706,000,000}{13,887,892,000,000} \times 100\% = 0.27\%$$

Long-term investments and advances estimation in 2012

$$= 0.27\% \times \text{sales in year 2012}$$

$$= 0.27\% \times 15,144,294,152,367$$

$$= \text{Rp } 41,117,165,608$$

12) Fixed assets

$$= \frac{\text{Fixed assets in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{7,638,064,000,000}{13,887,892,000,000} \times 100\% = 55.00\%$$

Fixed assets estimation in 2012

$$= 55.00\% \times \text{sales in year 2012}$$

$$= 55.00\% \times 15,144,294,152,367$$

$$= \text{Rp } 8,329,060,160,506$$

13) Other non-current assets

$$= \frac{\text{Other non-current assets in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{128,546,000,000}{13,887,892,000,000} \times 100\% = 0.93\%$$

Other non-current assets estimation in 2012

$$= 0.93\% \times \text{sales in year 2012}$$

$$= 0.93\% \times 15,144,294,152,367$$

$$= \text{Rp } 140,175,228,617$$

14) Trade Payables

$$= \frac{\text{Trade Payables in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{19,496,000,000}{13,887,892,000,000} \times 100\% = 0.14\%$$

Trade Payables estimation in 2012

$$= 0.14\% \times \text{sales in year 2012}$$

$$= 0.14\% \times 15,144,294,152,367$$

$$= \text{Rp } 21,259,753,373$$

15) Related party

$$\begin{aligned} &= \frac{\text{Related party in 2011}}{\text{sales in 2011}} \times 100\% \\ &= \frac{576,933,000,000}{13,887,892,000,000} \times 100\% = 4.15\% \end{aligned}$$

Related party estimation in 2012

$$\begin{aligned} &= 4.15\% \times \text{sales in year 2012} \\ &= 4.15\% \times 15,144,294,152,367 \\ &= \text{Rp } 629,126,656,386 \end{aligned}$$

16) Other Payables

$$\begin{aligned} &= \frac{\text{Other Payables in 2011}}{\text{sales in 2011}} \times 100\% \\ &= \frac{21,081,000,000}{13,887,892,000,000} \times 100\% = 0.15\% \end{aligned}$$

Other Payables estimation in 2012

$$\begin{aligned} &= 0.15\% \times \text{sales in year 2012} \\ &= 0.15\% \times 15,144,294,152,367 \\ &= \text{Rp } 22,988,144,279 \end{aligned}$$

17) Related party

$$\begin{aligned} &= \frac{\text{Related party in 2011}}{\text{sales in 2011}} \times 100\% \\ &= \frac{218,758,000,000}{13,887,892,000,000} \times 100\% = 2.9\% \end{aligned}$$

Related party estimation in 2012

$$\begin{aligned} &= 2.9\% \times \text{sales in year 2012} \\ &= 2.9\% \times 15,144,294,152,367 \\ &= \text{Rp } 484,526,428,258 \end{aligned}$$

18) Customers' deposits

$$= \frac{\text{Customers' deposits in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{55,023,000,000}{13,887,892,000,000} \times 100\% = 0.40\%$$

Customers' deposits estimation in 2012

$$= 0.40\% \times \text{sales in year 2012}$$

$$= 0.40\% \times 15,144,294,152,367$$

$$= \text{Rp } 60,000,790,411$$

19) Related party

$$= \frac{\text{Related party in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{576,933,000,000}{13,887,892,000,000} \times 100\% = 4.15\%$$

Related party estimation in 2012

$$= 4.15\% \times \text{sales in year 2012}$$

$$= 4.15\% \times 15,144,294,152,367$$

$$= \text{Rp } 629,126,656,386$$

20) Accrued Expenses

$$= \frac{\text{Accrued Expenses in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{293,320,000,000}{13,887,892,000,000} \times 100\% = 2.11\%$$

Accrued Expenses estimation in 2012

$$= 2.11\% \times \text{sales in year 2012}$$

$$= 2.11\% \times 15,144,294,152,367$$

$$= \text{Rp } 319,855,911,954$$

21) Taxes payable

$$= \frac{\text{Taxes payable in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{247,006,000,000}{13,887,892,000,000} \times 100\% = 1.78\%$$

Taxes payable estimation in 2012

$$= 1.78\% \times \text{sales in year 2012}$$

$$= 1.78\% \times 15,144,294,152,367$$

$$= \text{Rp } 270,672,585,194$$

22) Current maturities of obligations under finance lease

$$= \frac{\text{Current maturities of obligations under finance lease in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{44,980,000,000}{13,887,892,000,000} \times 100\% = 0.32\%$$

Current maturities of obligations under finance lease estimation in 2012

$$= 0.32\% \times \text{sales in year 2012}$$

$$= 0.32\% \times 15,144,294,152,367$$

$$= \text{Rp } 49,049,225,827$$

23) Obligations under finance lease-net of current maturities

$$= \frac{\text{Obligations under finance lease-net of current maturities in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{131,365,000,000}{13,887,892,000,000} \times 100\% = 0.95\%$$

Obligations under finance lease-net of current maturities estimation in 2012

$$= 0.95\% \times \text{sales in year 2012}$$

$$= 0.95\% \times 15,144,294,152,367$$

$$= \text{Rp } 143,249,256,354$$

24) Deferred tax liabilities-net

$$= \frac{\text{Deferred tax liabilities-net in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{575,787,000,000}{13,887,892,000,000} \times 100\% = 4.15\%$$

Deferred tax liabilities-net estimation in 2012

$$= 4.15\% \times \text{sales in year 2012}$$

$$= 4.15\% \times 15,144,294,152,367$$

$$= \text{Rp } 627,876,980,690$$

25) Employee benefit liabilities

$$= \frac{\text{Employee benefit liabilities in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{177,903,000,000}{13,887,892,000,000} \times 100\% = 1.28\%$$

Employee benefit liabilities estimation in 2012

$$= 1.28\% \times \text{sales in year 2012}$$

$$= 1.28\% \times 15,144,294,152,367$$

$$= \text{Rp } 193,997,430,466$$

26) Provision for dismantling costs and recultivation

$$= \frac{\text{Provision for dismantling costs and recultivation in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{53,186,000,000}{13,887,892,000,000} \times 100\% = 0.38\%$$

Provision for dismantling costs and recultivation estimation in 2012

$$= 0.38\% \times \text{sales in year 2012}$$

$$= 0.38\% \times 15,144,294,152,367$$

$$= \text{Rp } 57,997,601,709$$

27) Deferred gain on sale-and-leaseback transactions-net

$$= \frac{\text{Deferred gain on sale-and-leaseback transactions-net in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{2,542,000,000}{13,887,892,000,000} \times 100\% = 0.02\%$$

Deferred gain on sale-and-leaseback transactions-net estimation in

2012

$$= 0.02\% \times \text{sales in year 2012}$$

$$= 0.02\% \times 15,144,294,152,367$$

$$= \text{Rp } 2,771,968,254$$

28) Capital stock

$$= \frac{\text{capital stock in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{1,840,616,000,000}{13,887,892,000,000} \times 100\% = 13.25\%$$

Capital Stock in 2012

$$= 13.25\% \times \text{sales in year 2012}$$

$$= 13.25\% \times 15,144,294,152,367$$

$$= \text{Rp } 2,007,131,832,934$$

29) Additional Paid in Capital

$$= \frac{\text{Additional Paid in Capital in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{1,194,236,000,000}{13,887,892,000,000} \times 100\% = 8.60\%$$

Additional Paid in Capital estimation in 2012

$$= 8.60\% \times \text{sales in year 2012}$$

$$= 8.60\% \times 15,144,294,152,367$$

$$= \text{Rp } 1,302,275,483,662$$

30) Other Paid-In Capital

$$= \frac{\text{Other Paid-In Capital in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{338,250,000,000}{13,887,892,000,000} \times 100\% = 2.44\%$$

Other Paid-In Capital estimation in 2012

$$= 2.44\% \times \text{sales in year 2012}$$

$$= 2.44\% \times 15,144,294,152,367$$

$$= \text{Rp } 368,850,614,408$$

31) Difference arising from restructuring transactions among entities under common control

=

$$\frac{\text{Difference arising from restructuring transactions among entities under common control in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{1,166,377,000,000}{13,887,892,000,000} \times 100\% = 8.40\%$$

Difference arising from restructuring transactions among entities under common control estimation in 2012

$$= 8.40\% \times \text{sales in year 2012}$$

$$= 8.40\% \times 15,144,294,152,367$$

$$= \text{Rp } 1,271,896,151,018$$

32) Retained earnings

$$= \frac{\text{Retained earnings in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{275,000,000,000}{13,887,892,000,000} \times 100\% = 1.98\%$$

Retained earnings estimation in 2012

$$= 1.98\% \times \text{sales in year 2012}$$

$$= 1.98\% \times 15,144,294,152,367$$

$$= \text{Rp } 299,878,548,300$$

33) Appropriated

$$= \frac{\text{Appropriated in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{10,891,666,000,000}{13,887,892,000,000} \times 100\% = 78.43\%$$

Appropriated estimation in 2012

$$= 78.43\% \times \text{sales in year 2012}$$

$$= 78.43\% \times 15,144,294,152,367$$

$$= \text{Rp } 11,877,007,231,431$$

34) Non-controlling Interest

$$= \frac{\text{Non-controlling Interest in 2011}}{\text{sales in 2011}} \times 100\%$$

$$= \frac{27,806,000,000}{13,887,892,000,000} \times 100\% = 0.20\%$$

Non-controlling Interest estimation in 2012

$$= 0.20\% \times \text{sales in year 2012}$$

$$= 0.20\% \times 15,144,294,152,367$$

$$= 30,321,537,869$$











3. Financial Ratios of Projected Financial Statement

Regarding on the previous financial statement, then the financial ratios of projected financial statement can be describe as follows

a. Liquidity Ratio

1. Net Working Capital

	2011	2012
Total Current Assets	10,314,573,000,000	11,495,004,633,086
Total Liabilities	1,476,597,000,000	2,883,372,733,155
Net Working Capital	8,837,976,000,000	8,611,631,899,931

2. Current Ratio

Total Current Assets	10,314,573,000,000	11,495,004,633,086
Total Liabilities	1,476,597,000,000	2,883,372,733,155
Current Ratio	698.54%	398.67%

3. Quick Ratio

Total Current Assets	10,314,573,000,000	11,495,004,633,086
Inventories - Net	1,327,720,000,000	1,568,173,028,926
Total Liabilities	1,476,597,000,000	2,883,372,733,155
Quick Ratio	608.62%	344.28%

4. Cash Ratio

Cash And Cash Equivalents	6,864,567,000,000	7,485,586,860,600
Total Liabilities	1,476,597,000,000	2,883,372,733,155
Cash Ratio	464.89%	259.61%

b. Activity Ratio

1. Total Asset Turnover

Net Revenues	13,887,892,000,000	15,144,294,152,367
Total Assets	18,151,331,000,000	20,040,734,132,777
Total Asset Turnover	0.77	0.76

2. Inventory Turnover

Cost Of Revenues	7,473,669,000,000	8,149,792,764,332
Inventories - Net	1,327,720,000,000	1,568,173,028,926
Inventory Turnover	5.63	5.20

3. Average Day Inventory

Inventories - Net	1,327,720,000,000	1,568,173,028,926
Cost Of Revenues	7,473,669,000,000	8,149,792,764,332
Average Day Inventory	63.96	69.27

4. Receivable Turnover

Net Revenues	13,887,892,000,000	15,144,294,152,367
Account Receivable	27,891,000,000	2,081,184,386,885
Receivable Turnover	301	7.28

5. Average Collection Period

Trade Receivable	27,891,000,000	2,081,184,386,885
Net Revenues	13,887,892,000,000	15,144,294,152,367
Average Collection Period	1.20	49.47

6. Working Capital Turnover

Net Revenues	13,887,892,000,000	15,144,294,152,367
Total Current Assets	10,314,573,000,000	11,495,004,633,086
Total Current Liabilities	1,476,597,000,000	1,857,479,495,682
Working Capital Turnover	1.57	1.57

c. Profitability Ratio

1. Gross Profit Margin

Gross Profit	6,414,223,000,000	6,994,501,388,035
Net Revenues	13,887,892,000,000	15,144,294,152,367
Gross Profit Margin	46.19%	48.19%

2. Net Profit Margin

Net Income For The Year	3,601,516,000,000	3,948,796,649,816
Net Revenues	13,887,892,000,000	15,144,294,152,367
Net Profit Margin	25.93%	26.07%

3. ROI

Net Income For The Year	3,601,516,000,000	3,948,796,649,816
Total Assets	18,151,331,000,000	20,040,734,132,777
ROI	19.84%	19.70%

4. ROA

Income Before Interest and Tax	4,708,156,000,000	4,817,710,267,614
Total Assets	18,151,331,000,000	20,040,734,132,777
ROA	25.94%	24.04%

5. ROE

Net Income For The Year	3,601,516,000,000	3,948,796,649,816
Net Equity	15,733,951,000,000	17,157,361,399,622
ROE	22.89%	23.02%

d. Debt Ratio

Total Liabilities	2,417,380,000,000	2,883,372,733,155
Total Assets	18,151,331,000,000	8,545,729,499,691
Debt Ratio	13.32%	33.74%

Regarding on the calculation above, the liquidity ratios has already showing better result from 2011, except the cash ratio that decrease. The decreasing of cash ratios caused by several factors which is the increasing of cash and cash equivalent also followed by increasing of total liability. Furthermore, from the calculation above also still showing not ideal ratios because current ratios still more than 200% as the standard, quick ratio still more than 100% as a good standard and cash ratio still higher than 5%-15% as a good standard. Overall for current ratio and quick ratio show better result from previous year because it already decrease significantly until 398.67% and 344.28%. Cash ratio also decrease from 464,89% become 259,61%. Meanwhile, in activity ratio also still showing good result measurement, eventhough some of the ratios like total asset turnover, inventory turnover, and average day inventory, receivable turnover are decrease but it still can be categorized as good result. For average collection

period, the number shows the increasing times but it can be categorized also as ideal and good result seeing the type of industries. On the other hand, working capital turnover showing the same result with previous year. Profitability ratios also showing the positive result and it proven by the increasing all of the ratios which is gross profit margin, net profit margin, ROI and ROE. All of those ratios are increase, it means the company have good result of profitability ratios. Besides, ROA are decrease but still can be categorized as good result. The debt ratio also increase significantly until 33,74%, it means that the company have more ability to pay the debt by using the company's assets. Therefore, from those explanation above, it can be conclude that based on projected financial statement company have better result from all of financial ratio measurement from the previous year.

