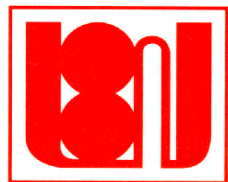


3 August 2014

PT. TUNAS BARU LAMPUNG TBK (IDX: TBLA)

Investor Presentation
August 2014

a member of Sungai Budi Group



DISCLAIMER

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Company Milestones

Strengths Through Integration



1973 - Present

¹ **FOSFA** = Federation of Oils, Seeds and Fats Association Ltd

² **RSPO** = Roundtable of Sustainable Palm Oil

2006: Extended FOSFA¹ membership. Join the RSPO²

2004: Acquired 3rd CPO mills. Issue 1st corporate bond.

2000: Listed in JSX. Built 2nd CPO mill in Lampung - S. Sumatera.

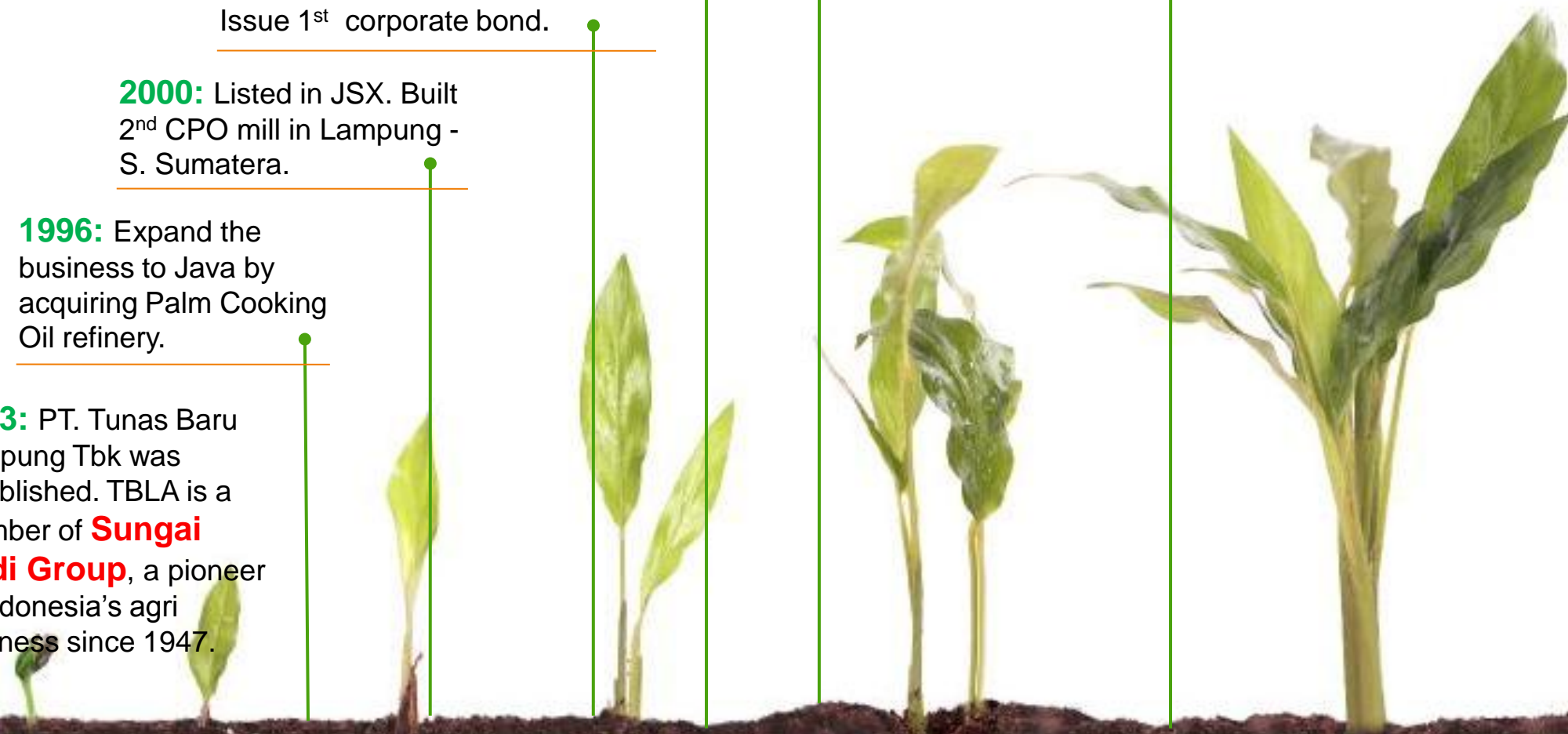
1996: Expand the business to Java by acquiring Palm Cooking Oil refinery.

1973: PT. Tunas Baru Lampung Tbk was established. TBLA is a member of **Sungai Budi Group**, a pioneer in Indonesia's agri business since 1947.

2011: Built 4th CPO mills in Banyuasin, South Sumatera with 2 x 45 MT/Hour capacity.

2012: Built sea jetty & sugar refinery with 600 MT/day capacity.

Present: In 40 years, the company has grown into one of the largest, low cost Palm Cooking Oil producer.

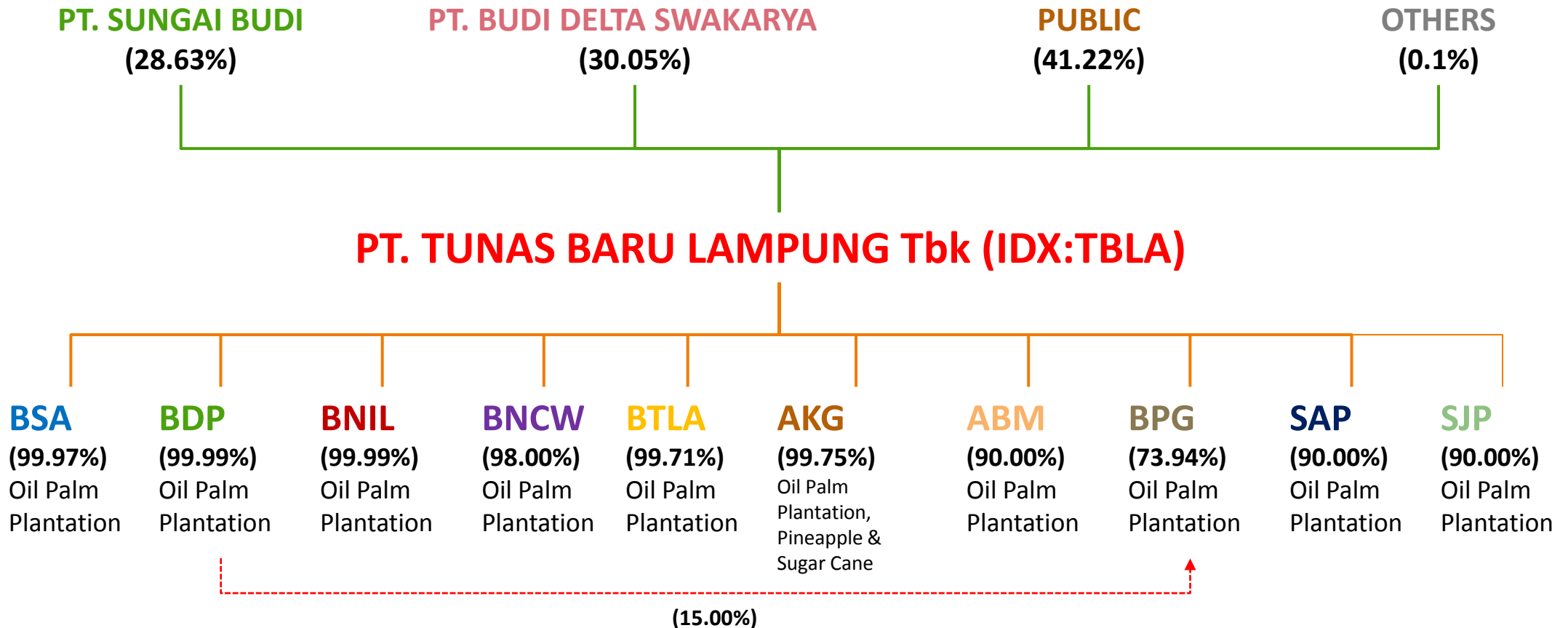


Company Structure

Strengths Through Integration



Shareholding & Subsidiaries



- BSA** PT. Bumi Sentosa Abadi
- BDP** PT. Budi Dwiyasa Perkasa
- BNIL** PT. Bangun Nusa Indah Lampung
- BNCW** PT. Budi Nusa Cipta Wahana
- BTLA** PT. Bangun Tata Lampung Asri

- AKG** PT. Adi Karya Gemilang
- ABM** PT. Agro Bumi Mas
- BPG** PT. Bumi Perkasa Gemilang
- SAP** PT. Surya Andalan Primatama
- SJP** PT. Solusi Jaya Perkasa

Management Profile

Strengths Through Integration



Board of Commissioner

A



B



C

Board of Directors

D



E



F



G



H



I



A. SANTOSO WINATA *President Commissioner*

Indonesian, 52 y-o. Joined Sungai Budi Group in 1982. Mr. Winata is also the Vice Chairman of Sungai Budi Group and President Director of PT Budi Starch & Sweetener Tbk since 1987. He has been the President Commissioner of TBLA since 1990.

B. OEY, ALBERT *Commissioner*

Indonesian, 41 y-o. Joined Sungai Budi Group since 1998. Mr. Oey is also a director at PT Budi Starch & Sweetener Tbk . He was appointed as Commissioner of TBLA in 1999.

C. RICHTTER PANE *Commissioner*

Indonesian, 43 y-o. Joined the Company since 2002 as an Independent Commissioner. His past and current appointment include: Commissioner of PT Villa Ayu (2003 – present), Director at PT Sunset Studio One (2011 - present), Commissioner of PT Graha Swahita (2008 - 2010), Director at PT Glendale Partners (2006 - 2008), Director at PT Global Express Finance (2003-2006), asset manager at PT Charotama Pratama (2001-2002), Associate Director at Regent Pacific Private Equity Ltd (1998-2001).



D. WIDARTO *President Director*

Indonesian, 66 y-o. Joined Sungai Budi Group in 1966 and appointed as Chairman of the group in 1985. Mr. Widarto has been in charged as President Director of TBLA since 1986. He is also currently the President Commissioner of PT Budi Starch & Sweetener Tbk .

E. SUDARMO TASMIN *Deputy President Director*

Indonesian, 55 y-o. Obtained Master of Economic degree from Trisakti University in 1981. Started his career as auditor in Public Accountant Firm Santoso Reskoatmojo (1981-1982) before serving as internal auditor in PT. Inti Salim Corpora (1982-1984). Mr. Tasmin joined Sungai Budi Group in 1984 and was appointed as director in 1986. Mr. Tasmin was put in charge as Deputy President Director of TBLA in 1999. He also presently serves as Vice-President Director of PT Budi Starch & Sweetener Tbk .

F. WINOTO PRAJITNO *Director*

Indonesian, 66 y-o. He has joined Sungai Budi Group since 1966 as GM of Domestic marketing. Mr. Prajitno was appointed a Director of TBLA since 1996.

G. OEY, ALFRED *Director*

Indonesian, 37 y-o. Obtained Bachelor of Science in Business Administration Major Finance of Ohio State University, Colombus, USA in 2000. Joined Sungai Budi Group in 2000 and was appointed as the Director of TBLA in 2002.

H. DJUNAEDI NUR *Director*

Indonesian, 62 y-o. Obtained Master of Economic degree from Trisakti University in 1978. Previously served as Manager of Administration and university instructor of Economics Faculty both at Trisakti University (1972-1982). He joined Sungai Budi Group in 1982 and was appointed as General Manager in a number of Sungai Budi group companies until 1990. He was appointed as Director of Sungai Budi Group since 1991, Commissioner of PT Budi Starch & Sweetener Tbk since 1994 and Director of TBLA since 1997.

I. TEOW SOI ENG *Unaffiliated Director*

Malaysian, 63 y-o. Obtained Bachelor of Busines form Warnborough University London 1998. Mr. Teow possessed years of experience in the plantation industry, namely: Manager for Lim & Lim Plantation, Malaysia; Plantation GM for Scientex Group Malaysia; Consultant of Pasir Gudang Port; Ahli Majellis for Company of Majelis Perbandaran Johor Baru Tengah. Mr. Teow serves as unaffiliated Director of The Company since 2012.

Oil Palm Plantation



Estate Location & Size – Per 31 December 2013

PALEMBANG⁴

Total Area : 15,800 Ha
Planted : 12,222 Ha
Mature : 5,588 Ha

⁴ Included in "Total Area", plasma of **2,800 ha** and in "Planted", plasma of **2,617 Ha**

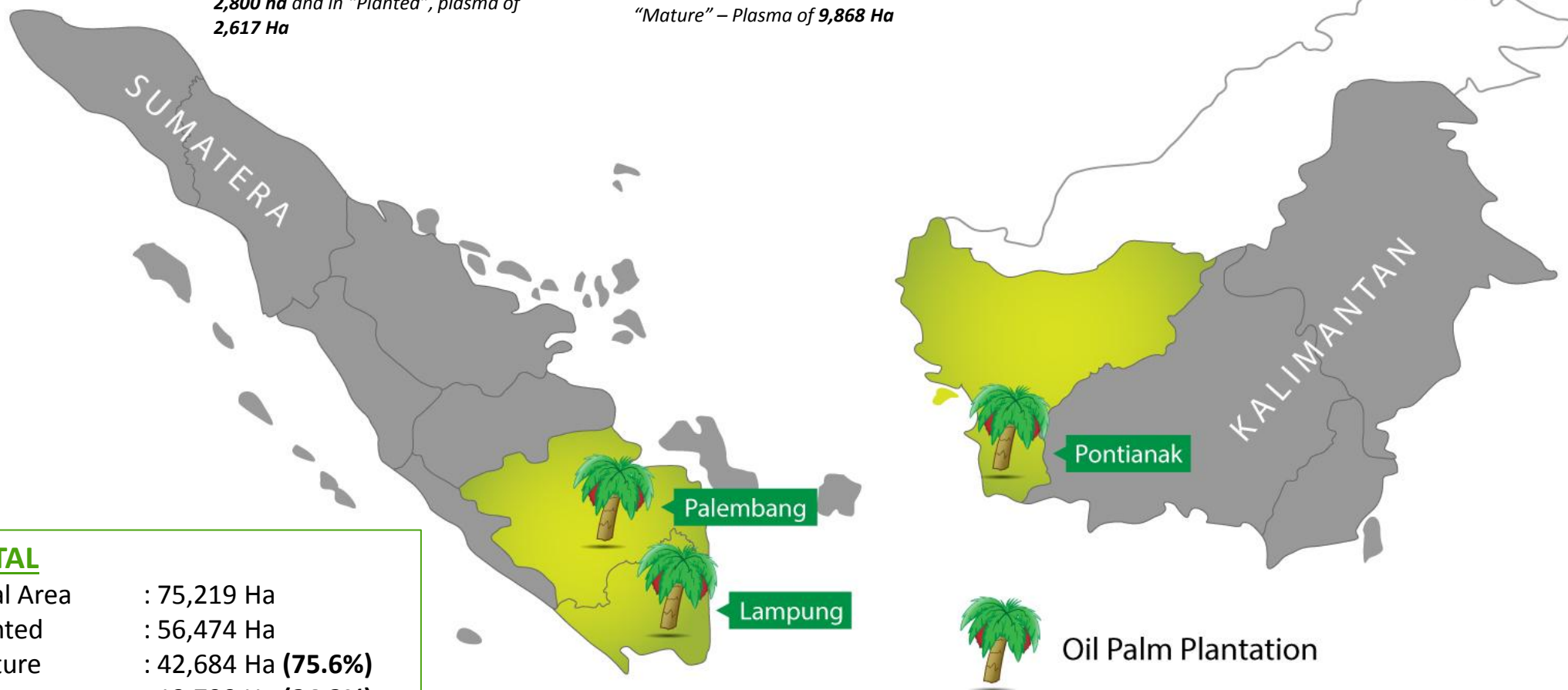
LAMPUNG³

Total Area : 45,919 Ha
Planted : 40,217 Ha
Mature : 35,598 Ha

³ Included in "Total Area", "Planted" & "Mature" – Plasma of **9,868 Ha**

PONTIANAK

Total Area : 13,500 Ha
Planted : 4,035 Ha
Mature : 1,498 Ha



TOTAL

Total Area : 75,219 Ha
Planted : 56,474 Ha
Mature : 42,684 Ha (**75.6%**)
Immature : 13,790 Ha (**24.2%**)

Note: Included in "Total Area", plasma of **12,688 ha**; in "Planted", plasma of **12,485 Ha** & in "Mature", plasma of **9,868 Ha**

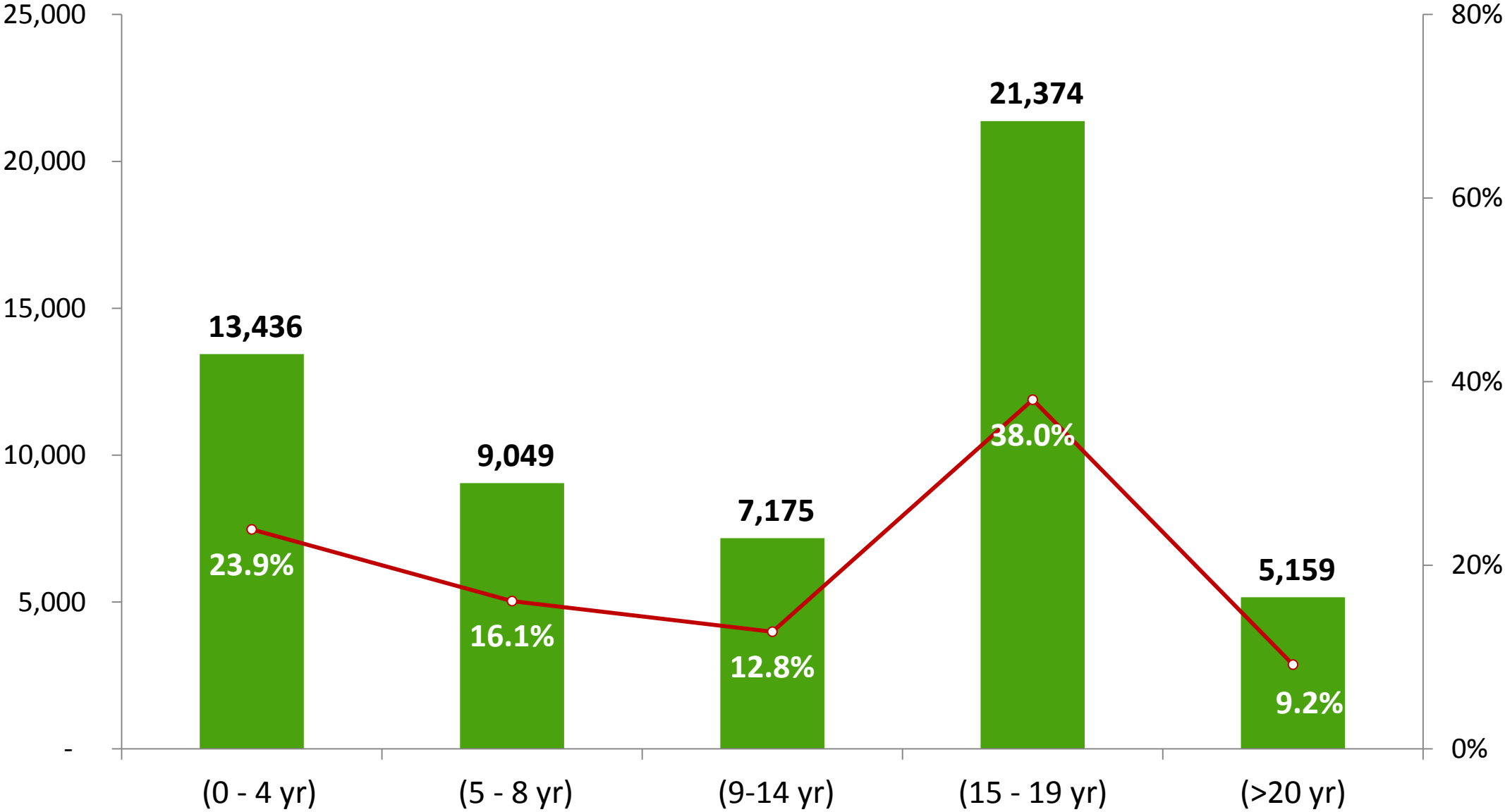


Oil Palm Plantation

Plantation Profile

Oil Palm (per 31 Dec 2013)

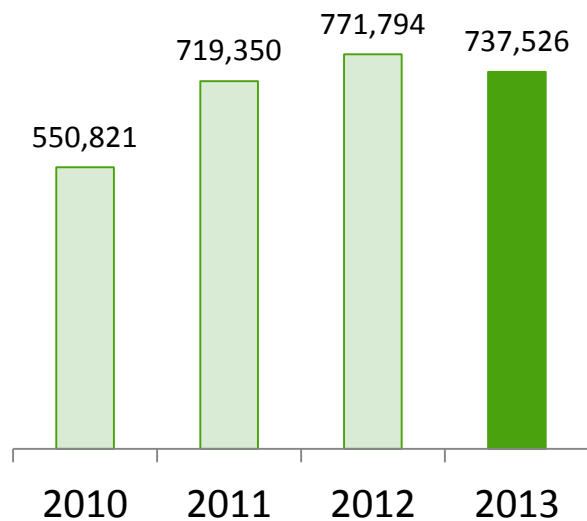
Ha & Percentage



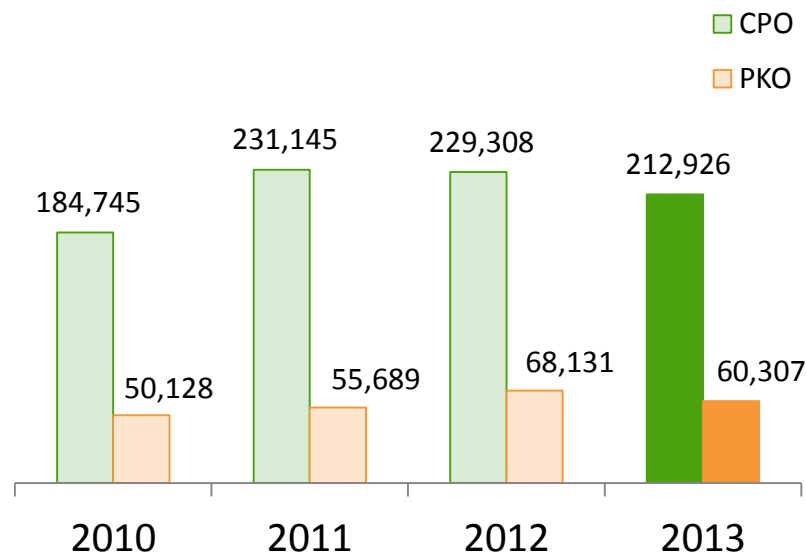
Production Highlights

Oil Palm

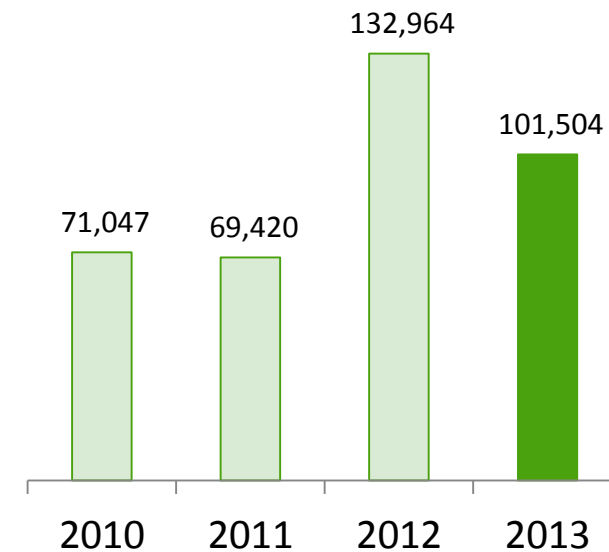
FFB Harvested (MT)



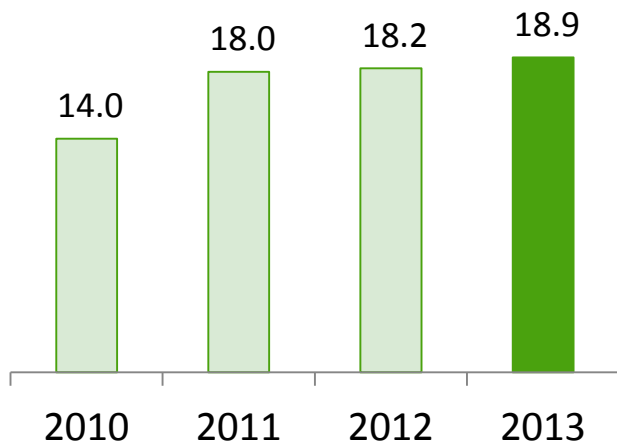
CPO & PKO Production (MT)



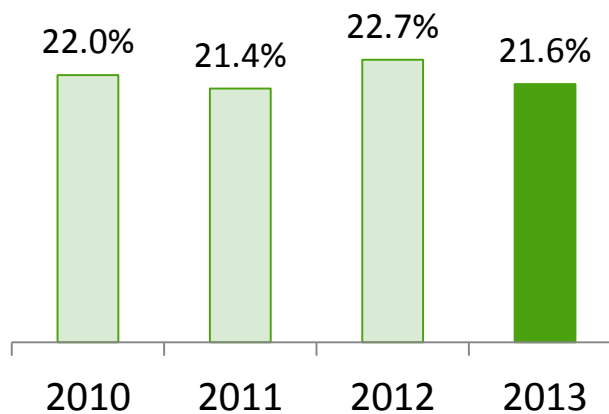
Cooking Oil Production (MT)



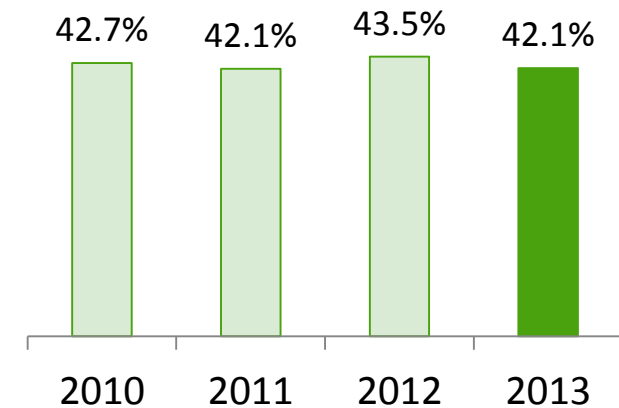
FFB Yield (MT/Ha)



Oil Extraction Rate



Kernel Extraction Rate



Production Facilities

Strengths Through Integration



Oil Palm



⁵ UC = Under Construction

⁶ exp completion 4Q2014

⁷exp completion 3Q2015

CPO Mills

Location	MT/annum	MT/hour
Lampung	900,000	180
Palembang	225,000	45
Bengkulu ⁵	225,000	45
TOTAL	1,350,000	270

PKO Mills

Location	MT/annum	MT/day
Lampung	210,000	700
Palembang	60,000	200
TOTAL	270,000	900

PALM COOKING OIL, STEARINE & PFAD FACILITY (FACTORY)

Location	MT/annum	MT/day
Lampung	210,000	700
Lampung (UC) ⁶	300,000	1,000
Palembang	390,000	1,300
East Java	60,000	200
East Java (UC) ⁷	300,000	1,000
TOTAL (ex UC)	660,000	2,200

SOAPS

Location	MT/annum	MT/hour
Lampung	13,750	2.25
Palembang	13,750	2.25
TOTAL	27,000	4.5

MARGARINE

Location	MT/annum	MT/hour
East Java	36,000	6

Production Facilities

Oil Palm

Construction of our new cooking oil plant (1,000MT/day) in Way Lunik, Lampung – Completion by 4Q2014

19 June 2014



Consumer Products

Palm Oil

ESTABLISHED BRAND WITH SOLID DISTRIBUTION NETWORKS

Our branded cooking oil products **Rose Brand** and **Tawon** cover medium to lower market segments, the largest market pool in the country. Our new product **Rose Brand** margarine has recently being introduced to the market.

TBLA is utilizing on Sungai Budi Group's nation wide distribution network with 21 marketing offices and more than 48,000 outlets throughout Indonesia. This solid infrastructure ensure quick distribution of the Company's products, both existing and new.

The Group's reputation and experience also open up doors for export market.

Image: TBLA's Rose Brand Cooking Oil Products, available in both modern and traditional markets throughout Indonesia

Strengths Through Integration

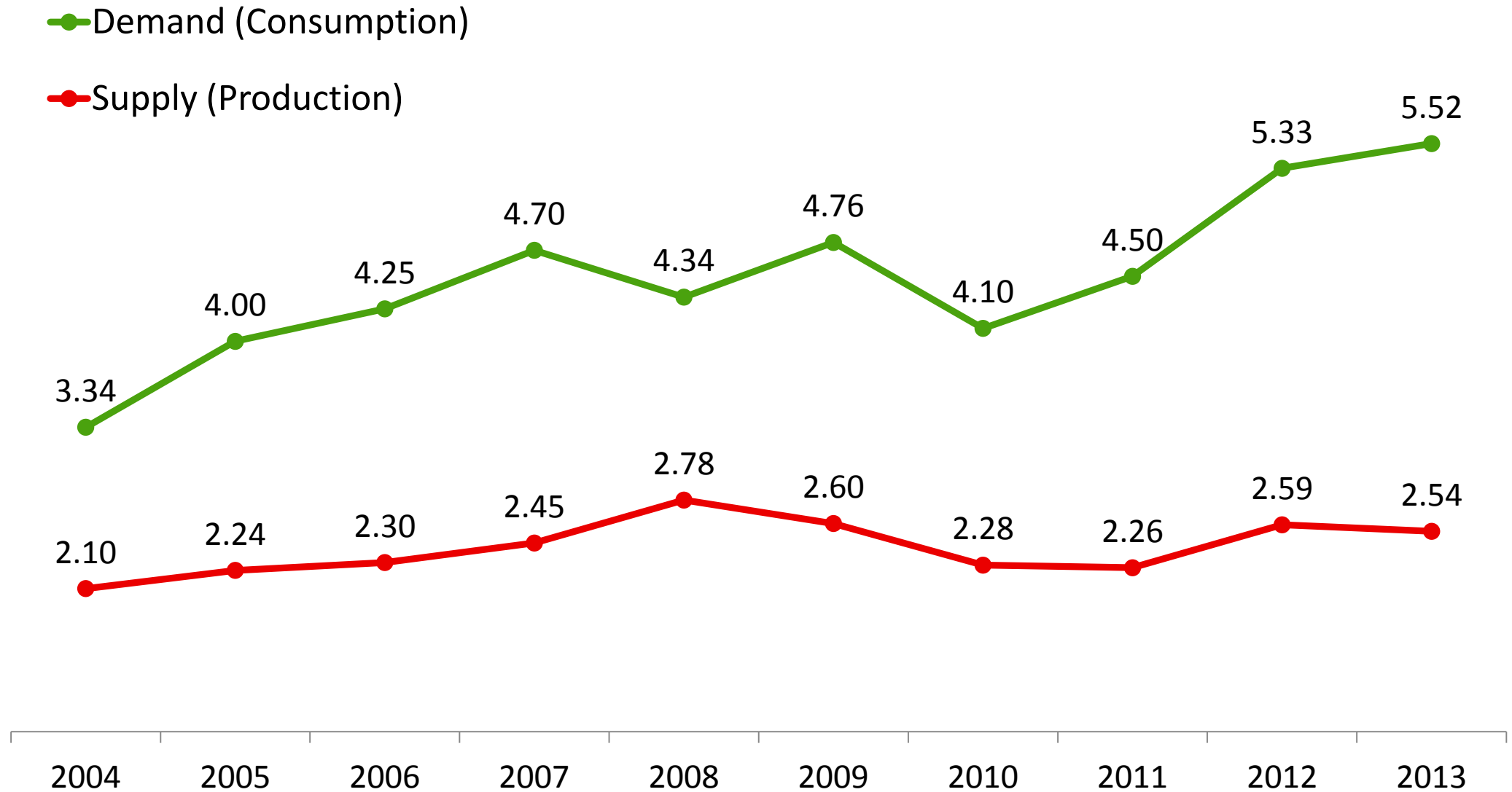


Sugar Demand VS Supply



Indonesia

Indonesia's Sugar Demand VS Supply (Million MT)



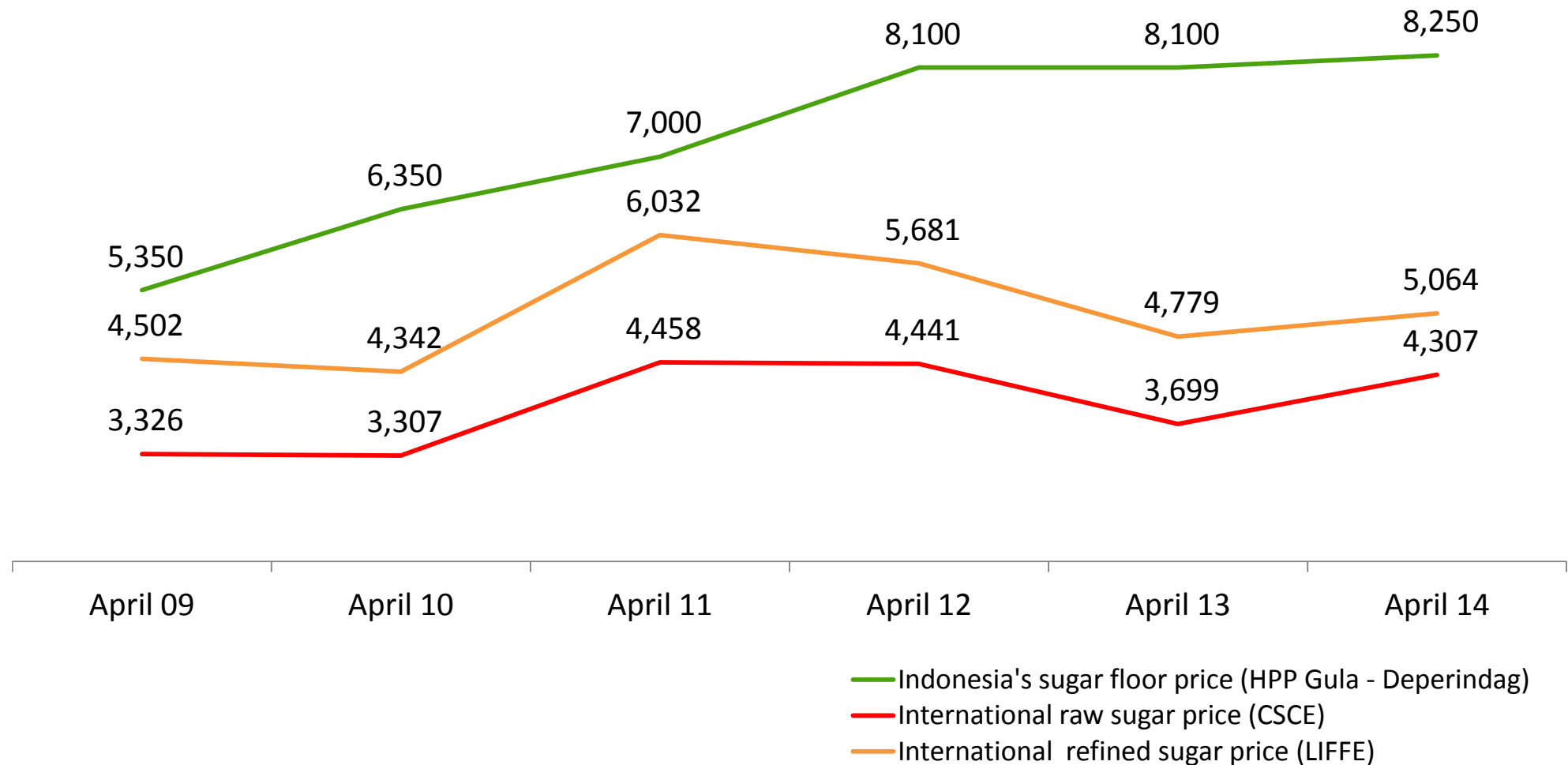
Source: Kontan, 8 July 2014

Sugar Price Comparison



Domestic VS International

Sugar Price (IDR/Kg)



Note:

- Indonesia's floor price for sugar is set by the department of industry and trade (DEPERINDAG) before the start of the milling season in April each year.
- Raw sugar price as quoted on the New York Coffee, Sugar and Cocoa Exchange (CSCE).
- Refined sugar price as quoted on London based LIFFE (London International Financial Futures & Options Exchange).
- Price for International raw and refined sugar were converted on IDR/Kg based on the average USD:IDR exchange on the first week of April of each particular year: April 2009 = Rp11,200, April 2010 = Rp8,880; April 2011 = Rp8,460; April 2012 = Rp8,960; April 2013 = 9,500; April 2014 = 11,100

Sugar Refinery

Strengths Through Integration



TBLA's sugar refinery in Way Lunik, Lampung was commissioned in **4Q13**. The refinery has daily capacity of **600 mt** or annual capacity of **216,000 mt**.

TBLA obtained raw sugar import quota of **18,000mt** in **2nd semester of 2013** and **108,000mt** for the **1st semester of 2014** (April – July 14).



Image: Sugar Refinery – Top View



Sugar Refinery

Strengths Through Integration



Image: Sugar Refinery – Top View

Image: TBLA's Raw Sugar Storage 1 - Outside



Image: TBLA's Raw Sugar Storage 1 - Inside

Sugar Cane Plantation



Accelerated Growth

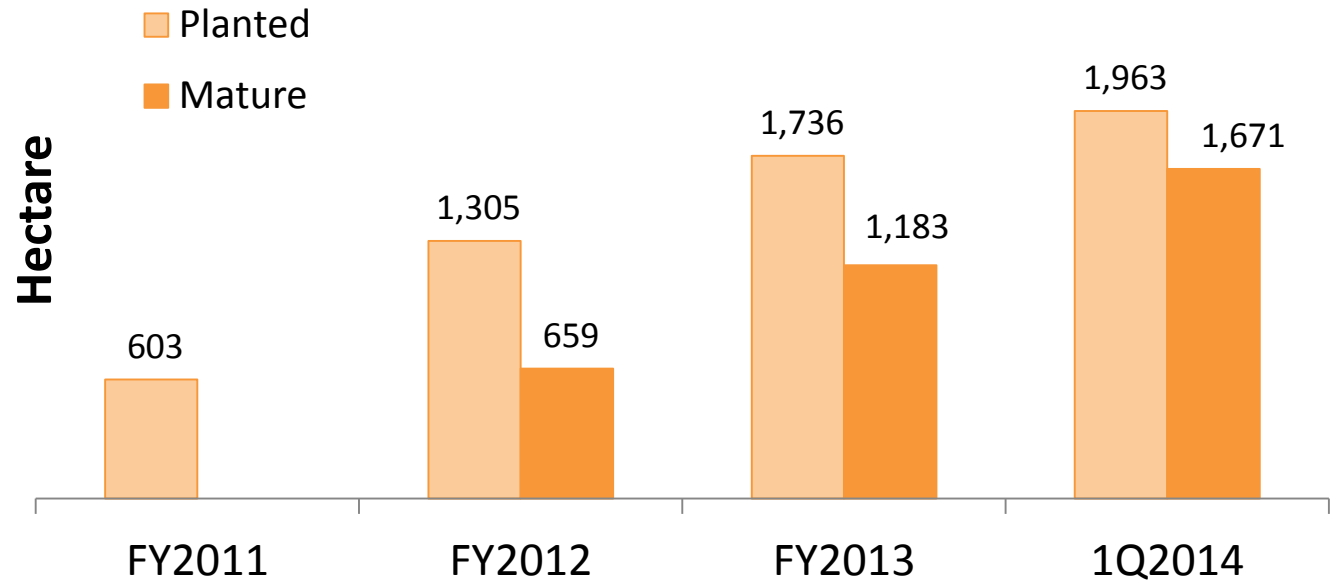
TBLA is converting its old oil palm estate in **Lampung** into sugar cane plantation.

With existing land bank, TBLA is targeting **12,000 Ha - 15,000 Ha** planted by end of **2016** (inc plasma).

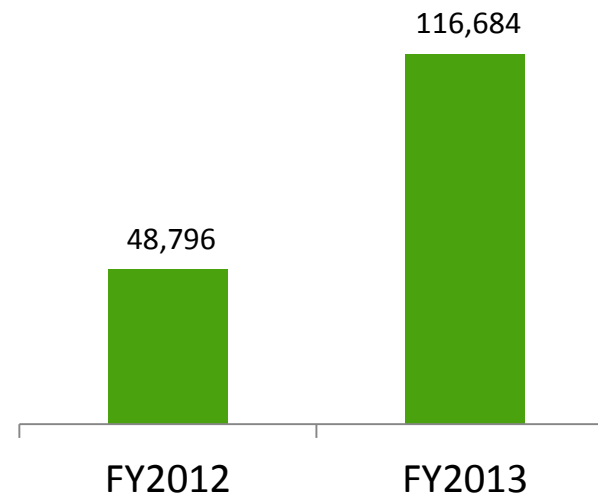
TBLA is in the process of constructing a **8,000 TCD (Tons Cane Day)** sugar mill in Lampung, with annual capacity of \pm **1.2 million mt** of sugar cane, producing \pm **120,000 mt** of mill sugar.

Lampung is one of the two largest sugar producing province in Indonesia, prior to our mill being completed, all of our sugar cane harvest can be sold to surrounding sugar mills.

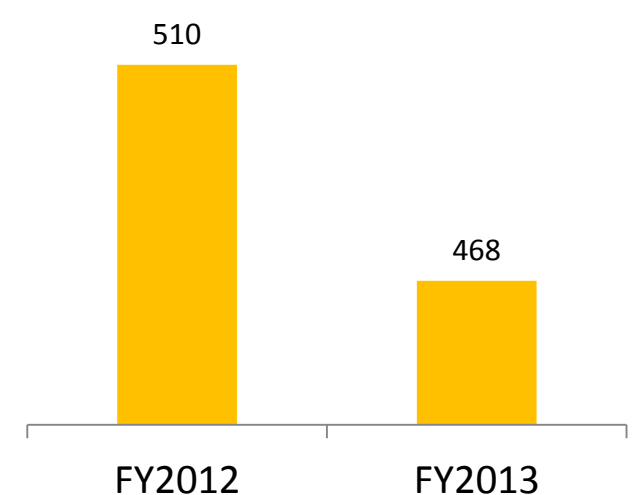
Plantation Profile



Sugar Cane Harvest (MT)



Sugar Cane ASP (Rp/Kg)



Sugar Cane Plantation

Strengths Through Integration



Conversion of old palm oil estate into sugar cane

Image 1 & 2: Old palm oil trees were pulled down and chopped out with excavator left to dry out.



Image 3 & 4: Cleared land is being plowed and reconditioned for sugarcane planting



Sugar Cane Plantation

Strengths Through Integration



Conversion of old palm oil estate into sugar cane plantation

1. Sugar cane in their early stage



2. Inspecting a block before harvest



3. Harvested sugar cane block



4. New arrival: Fleet of tractors before deployment to sugarcane fields



19 June 2014

Integrated Sugar Production

Plantation, Mill & Refinery

Strengths Through Integration



Note: TBLA is constructing an 8,000 TCD sugar mill in the Company's estate in Tebanggi Besar, Lampung, expected completion 4Q2016.



-  Sugar Cane Plantation
-  Sugar Mill (UC)
-  Sugar Refinery
-  Way Lunik Port

Competitive Advantage

Strengths Through Integration



Image: TBLA's Sea Jetty at Way Lunik, Lampung



Image: Panjang Sea Port, Lampung

STRATEGIC LOCATION

Proximity to Lampung international Deep Sea Port (depth of 15m), which allow for large ship tanker to embark.

Own private sea jetty that provides quick loading facility for TBLA's clients. The sea jetty allows efficient loading time and prevent potential demurrage.

TBLA's sea jetty has a loading capacity of 600 MT/hour, ensuring fast & reliable delivery.

Lampung provides easy access to large market in Sumatera and Java.

Competitive Advantage

Strengths Through Integration



Image: TBLA's oil palm plantation, Banyuasin



Image: TBLA's sugar cane plantation, Tebanggi - Lampung

HEALTHY PLANTATION PROFILE

Relatively “Young” oil palm plantation age with healthy population of crops in the mature age bracket, ensuring healthy cash flow to support the Company’s expansion plan. *See: Page 8*

Potential yield increase in the medium term from maturing crops and higher yield from our Palembang estate. We expect consolidated FFB yield to go up above 20 MT/Ha in the coming years.

Existing available land bank that can be immediately converted for Sugar Cane plantation in Lampung.

Competitive Advantage

Strengths Through Integration



Image: TBLA Plant Lampung aerial view



Image: Silos at TBLA's plant, Lampung

VERTICALLY INTEGRATED

More stable margin from downstream products such as Rose Brand and Tawon cooking oil gives TBLA the flexibility in overcoming commodity price fluctuation.

With the existing sugar refinery, rapidly growing sugar cane plantation and the construction of sugar mill, by 2016 TBLA would also become a fully integrated sugar operation.

STRONG INFRASTRUCTURE SUPPORT

Control over raw material logistic with own and Sungai Budi combined transport fleet & facilities. Low cost, minimize risk.

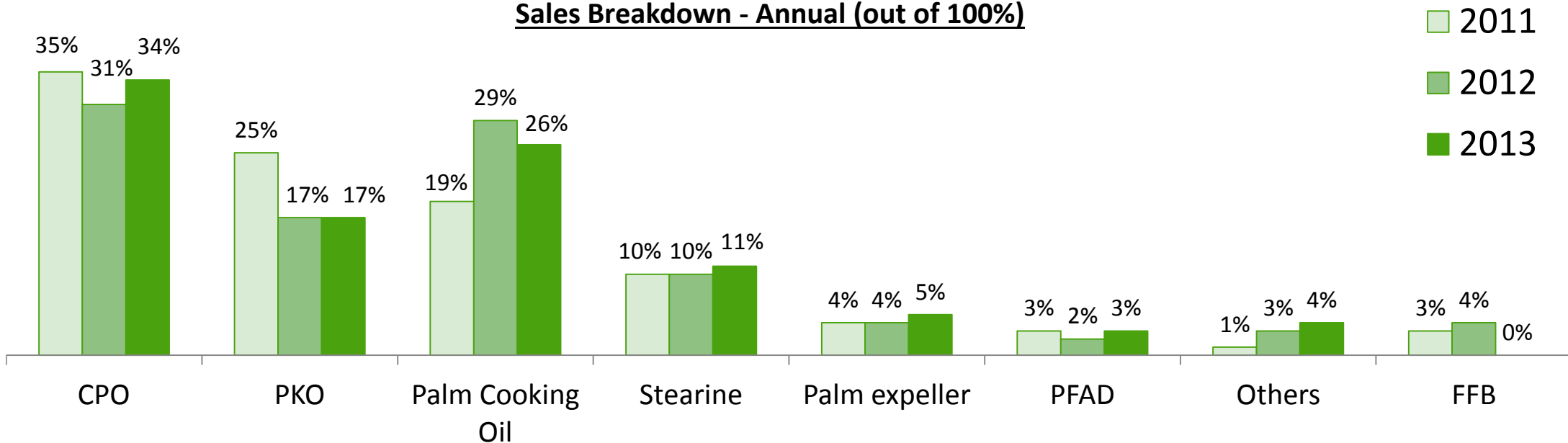
TBLA processing plant in Lampung is supported with own coal fired power plants: 2 X 6 MW and 1 X 4 MW.

Sales Breakdown

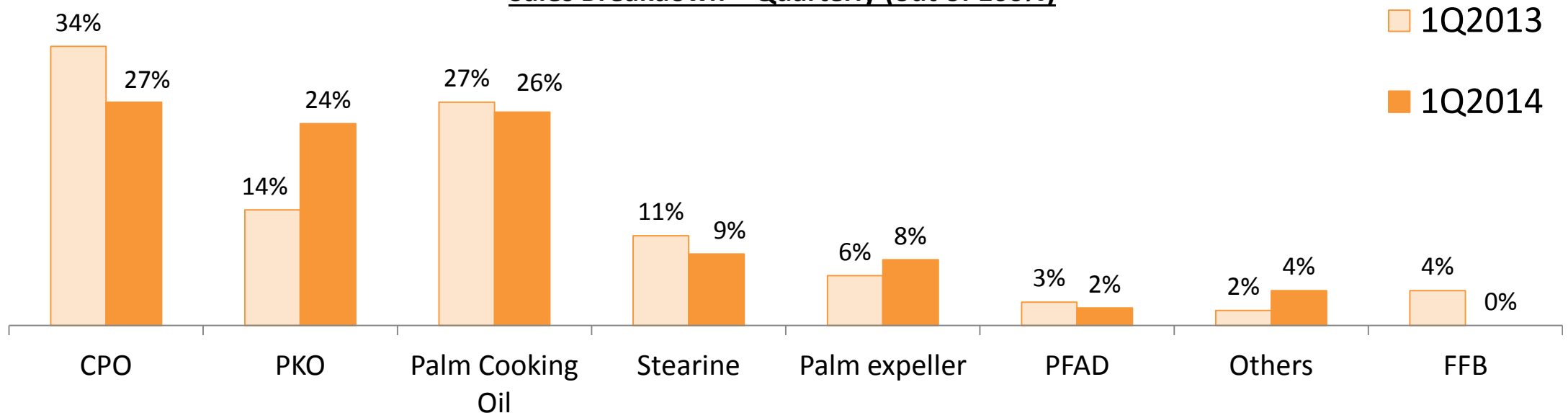


By products

Sales Breakdown - Annual (out of 100%)



Sales Breakdown – Quarterly (out of 100%)



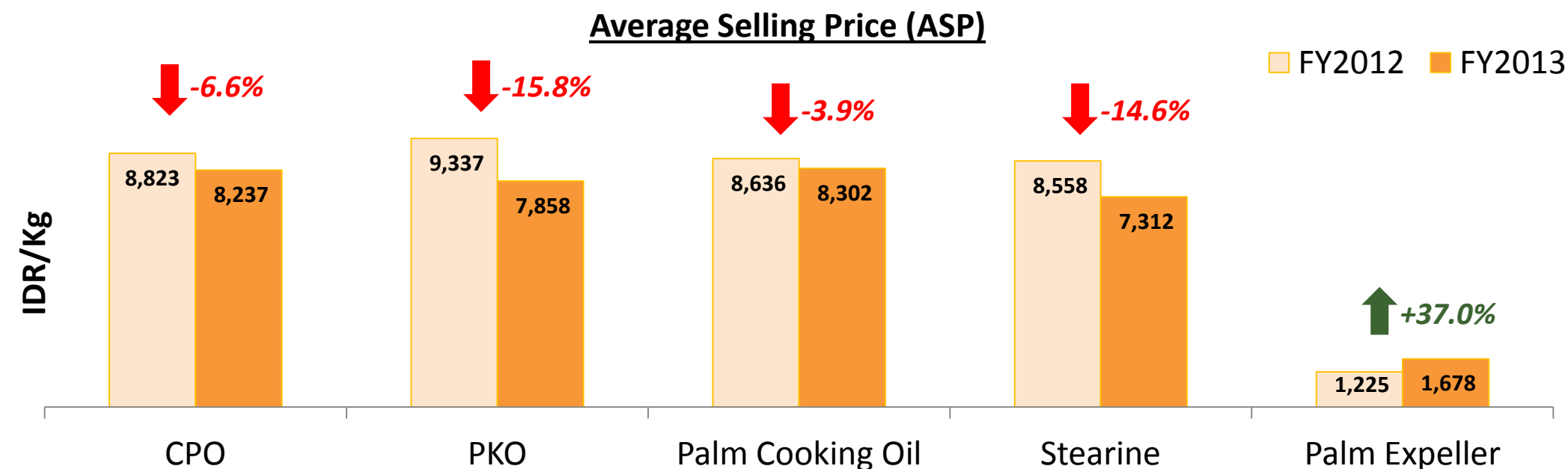
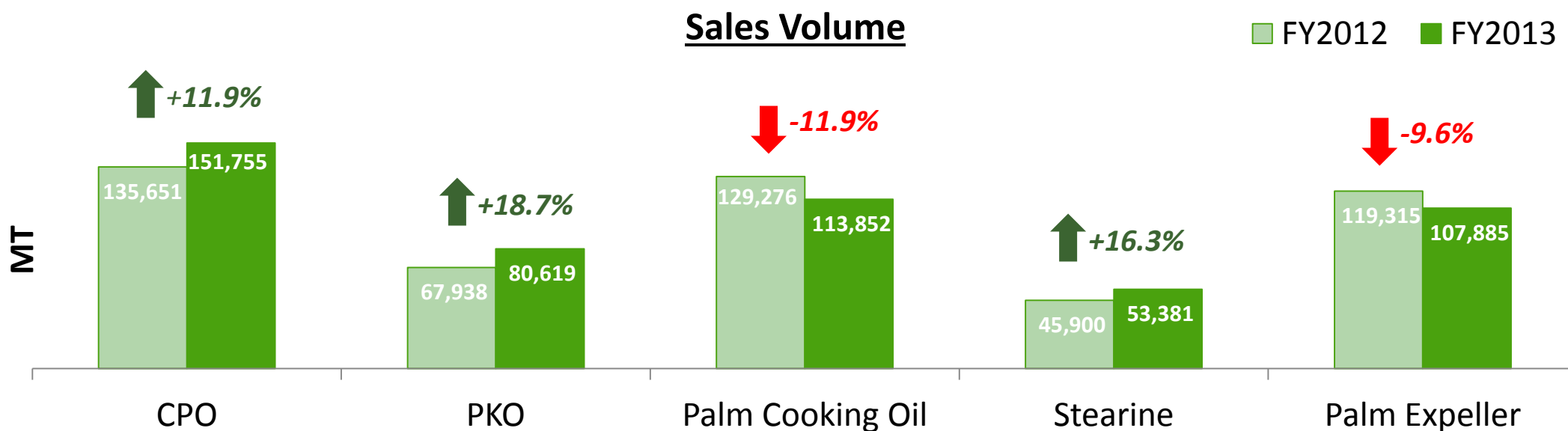
Note: Others include Sugar Cane, Sugar and Soaps. We project sugar contribution to increase in the coming years along with our plan to convert our old oil palm estate into sugar cane plantation in Lampung and to built a sugar mill.

Sales Volume & ASP - Annual

Strengths Through Integration



Main products



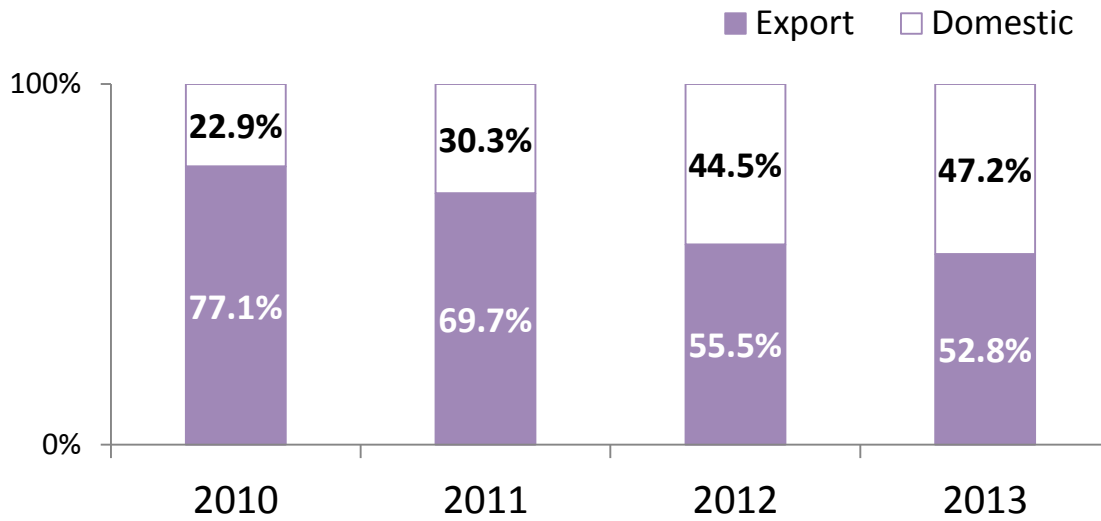
Note: The above 5 products made up **91.8%** and **91.6%** of total sales in **FY2012** & **FY2013** respectively

Sales Composition

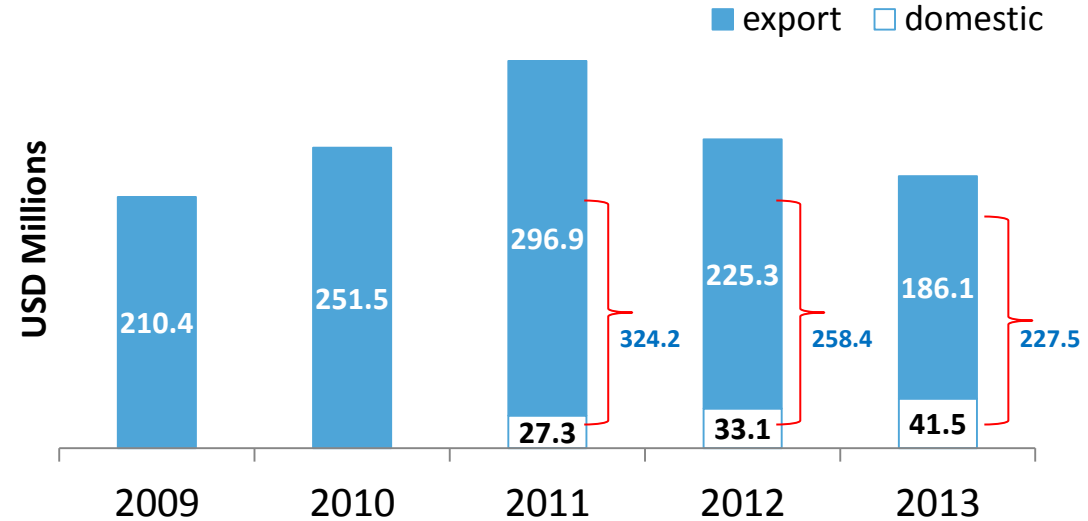


Annual

Export VS Domestic Sales - Annual

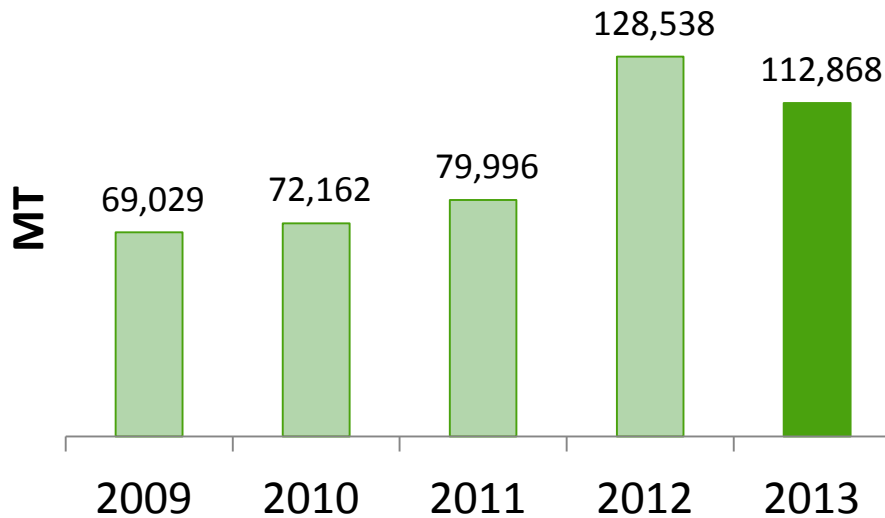


USD Sales Proceeds

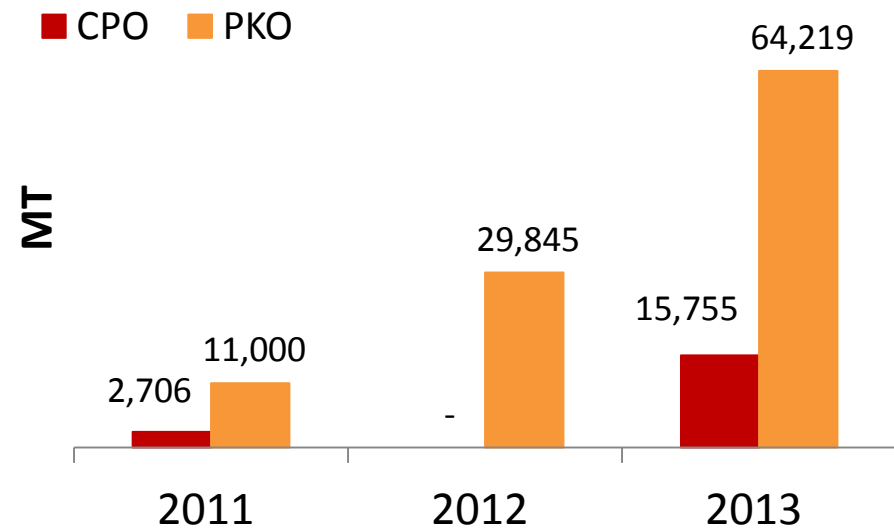


Note: Domestic market in gaining more shares with higher domestic sales in USD, this trend continues in 1Q2014

Palm Cooking Oil Domestic Sales Volume



CPO & PKO Domestic Sales Volume

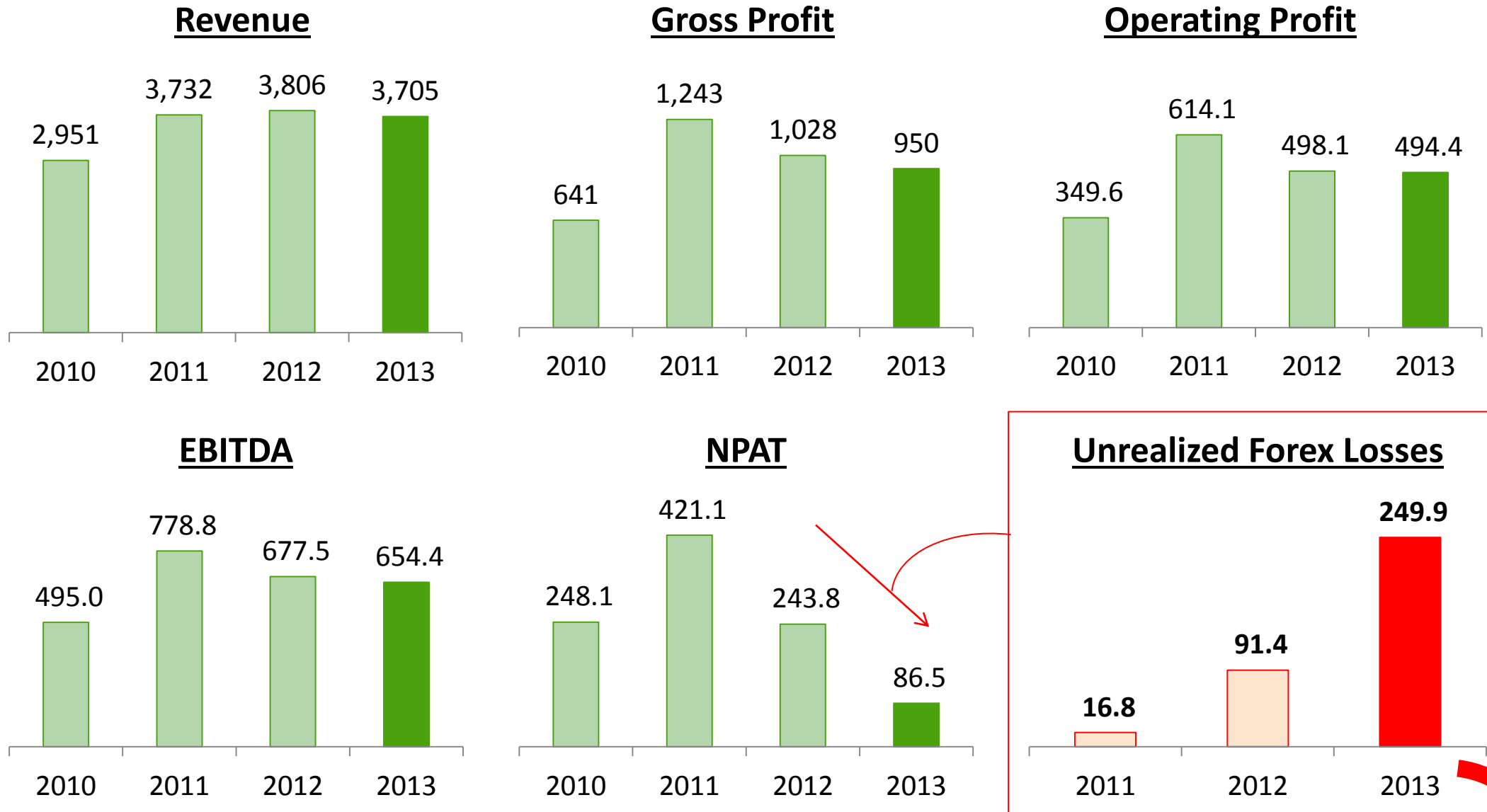


Note: The above 3 products made up **81.9%** and **89.8%** of domestic Sales in FY2012 & FY2013 respectively

Financial Summary



P&L - Annual (Figures in IDR millions)



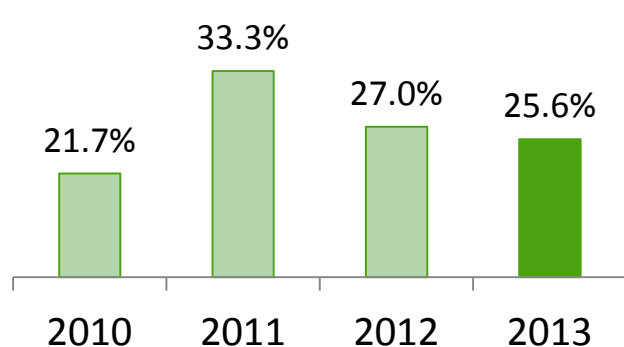
NOTE: IDR weakened by **26%** against USD from **Rp9,670 (31 Dec 2012)⁹** to **Rp12,189 (31 Dec 2013)⁹**, given the Company's USD loan exposure, this resulted in substantial unrealized forex losses in FY2013.

Financial Ratios

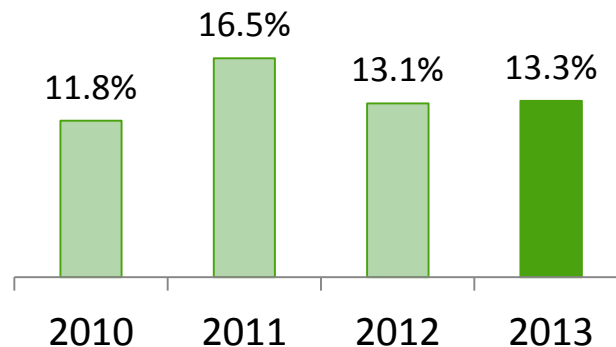


Annual

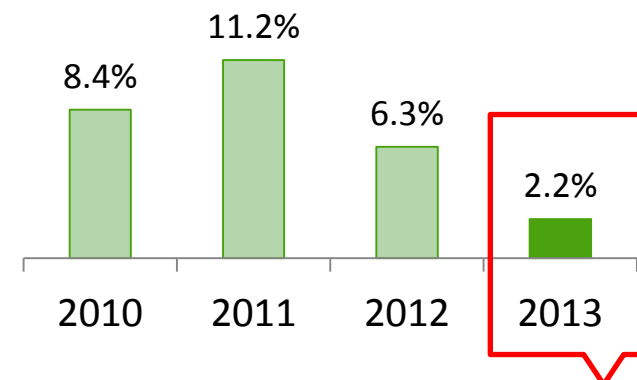
Gross profit margin



Op. Profit margin

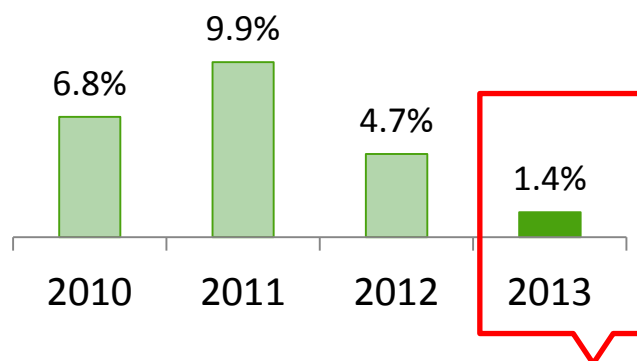


NPAT margin

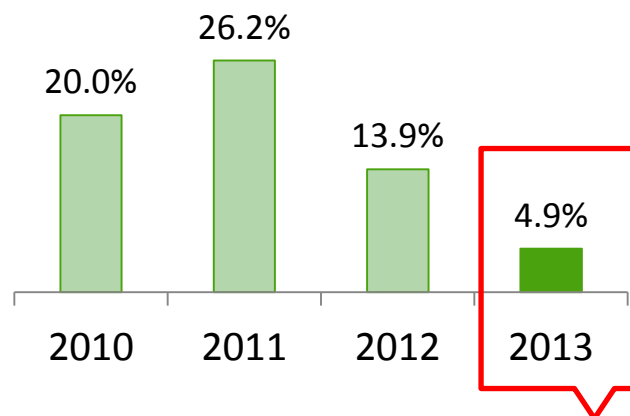


NOTE: NPAT margin went down in FY2013 on the back of unrealized forex losses of **Rp249.9bn** (vs Rp91.4bn in FY2012). See: Page 20.

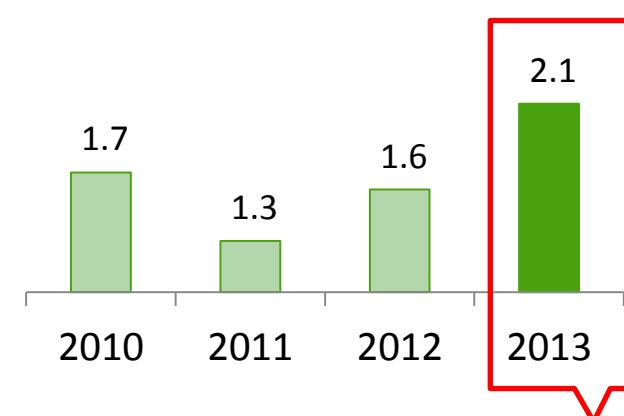
ROA



ROE



DER

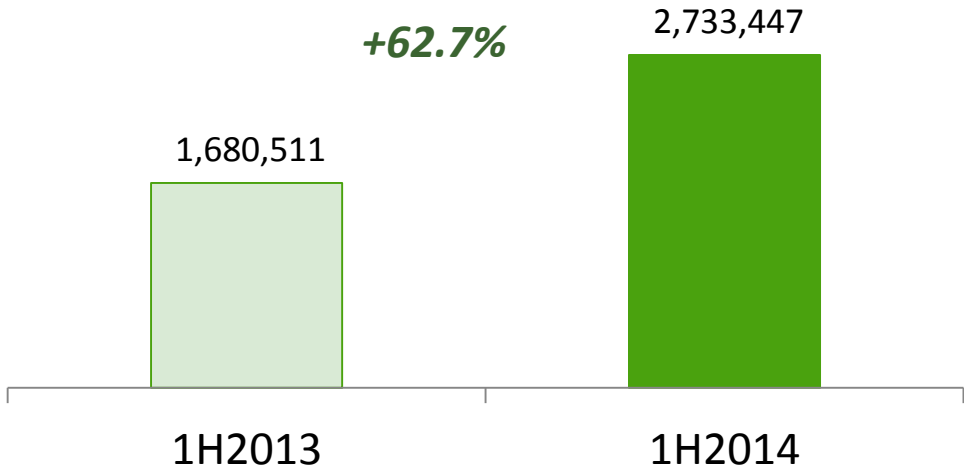


NOTE: Lower NPAT reduced TBLA's return profiles while increasing DER for FY2013. See: Page 20.

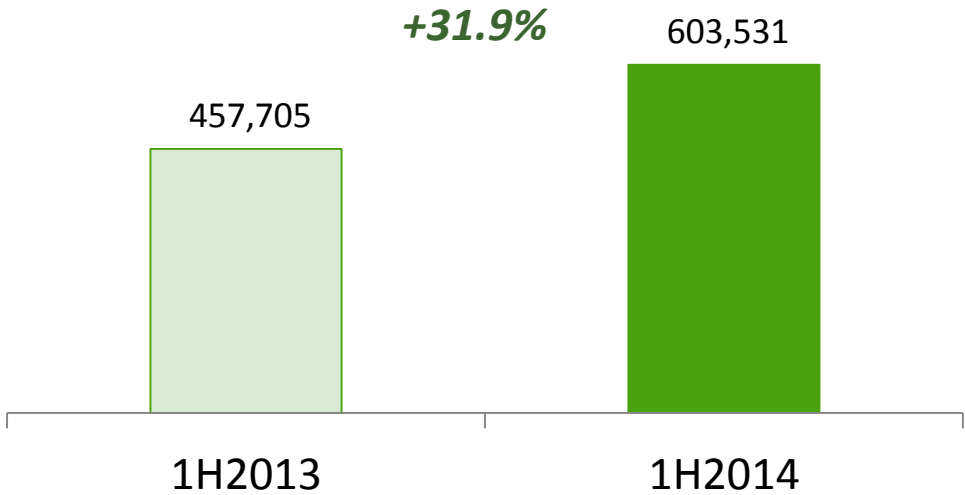
Financial Summary

P&L – 1H2014 (Figures in IDR millions)

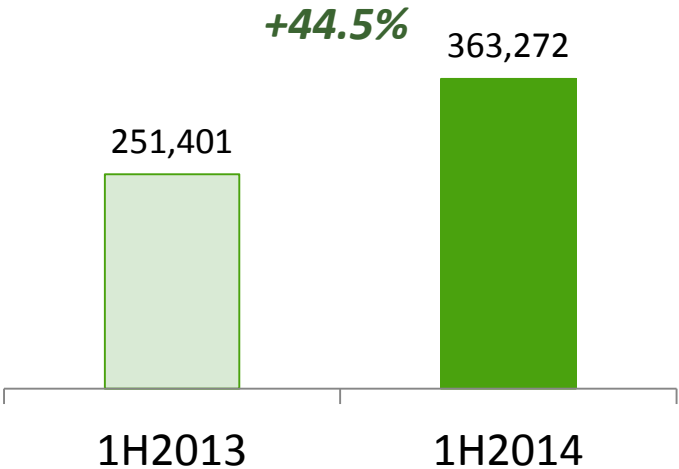
Revenue



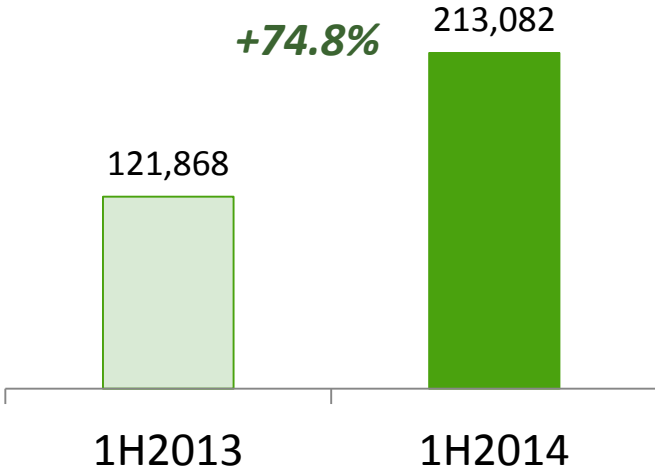
Gross profit



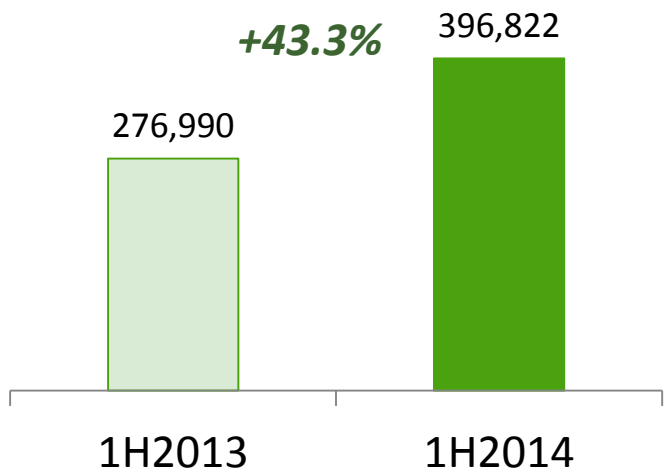
Operating profit



NPAT



EBITDA



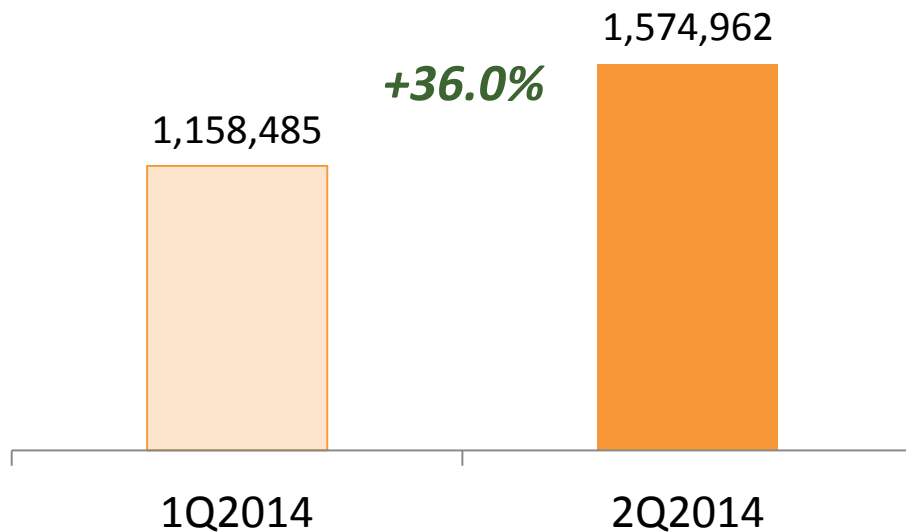
Financial Summary

Strengths Through Integration

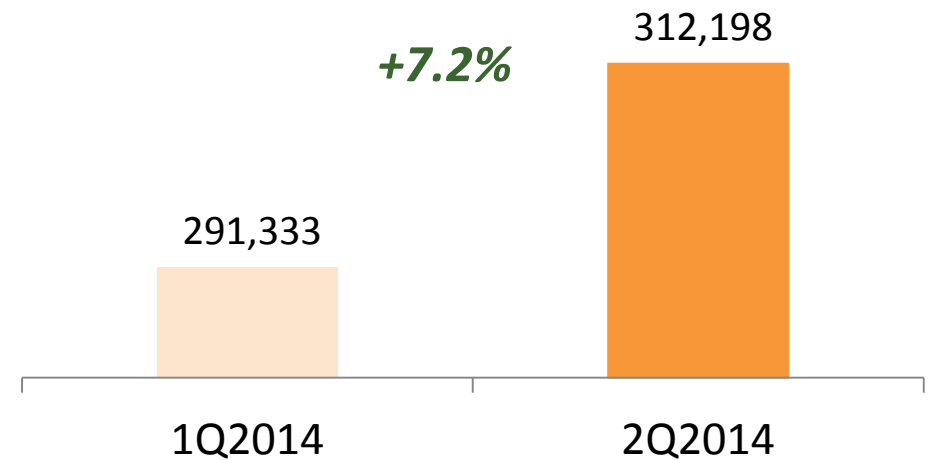


P&L – Quarter on Quarter

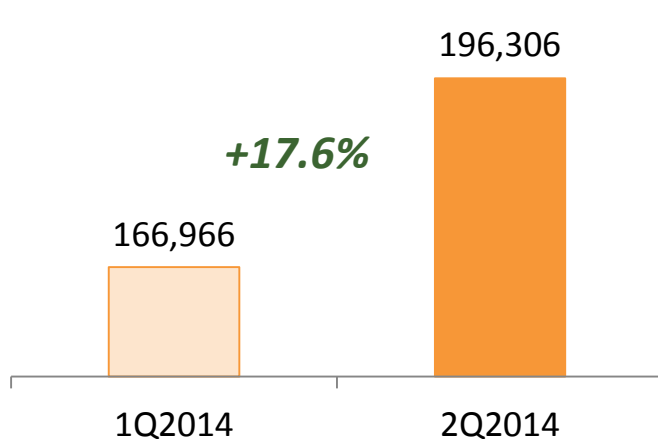
Revenue



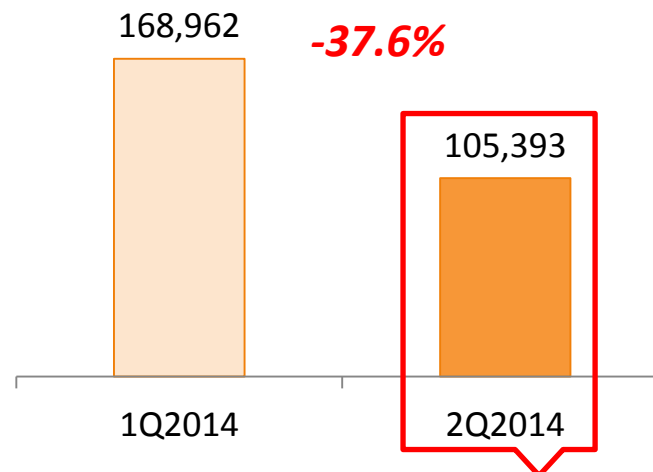
Gross profit



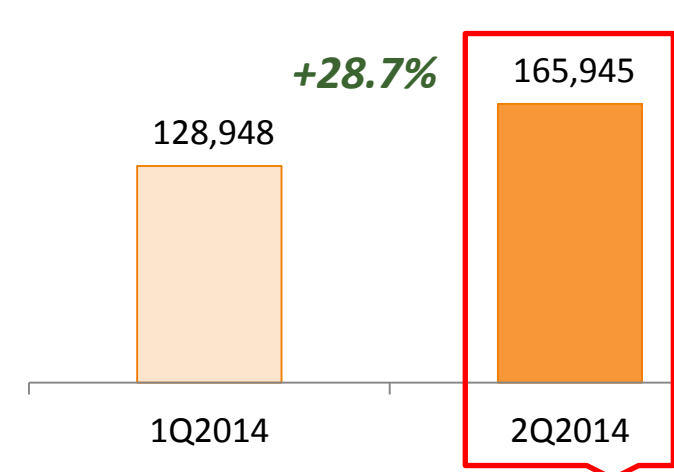
Operating profit



NPBT



NPBT (ex unrealized forex gain/(loss))



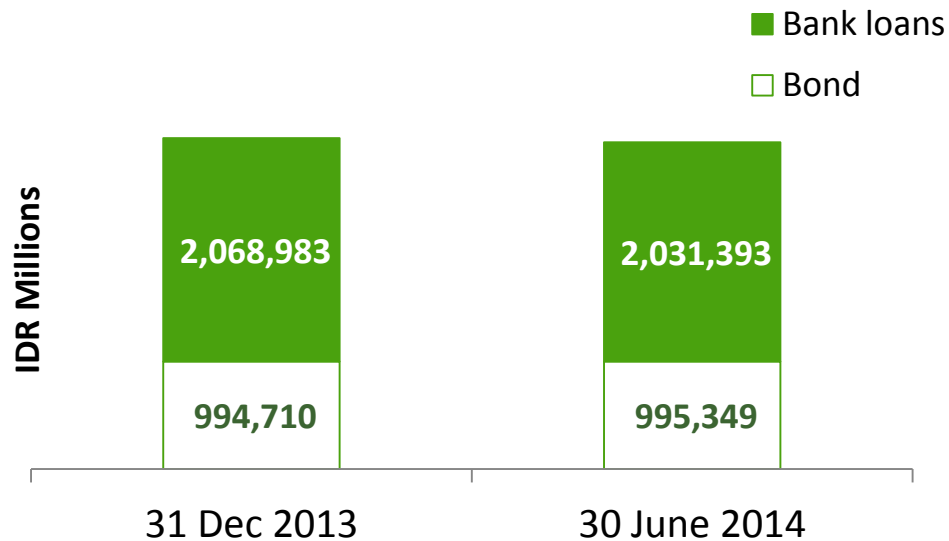
Note: Q-o-Q NPBT dropped from sharp swing in unrealized forex losses/gain. TBLA booked unrealized forex gain of Rp40.0bn in 1Q2014, but substantial rise in USD against IDR between April – June 2014, erased that earlier gain and the Company have to booked unrealized forex losses instead of Rp20.5bn in 1H2014

Financial Summary



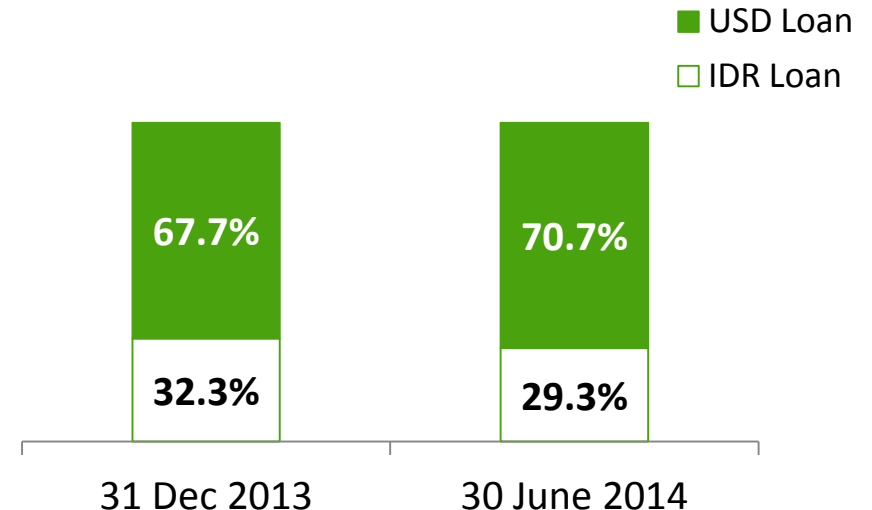
Balance Sheet Highlights – 1H2014

Debt Proportions



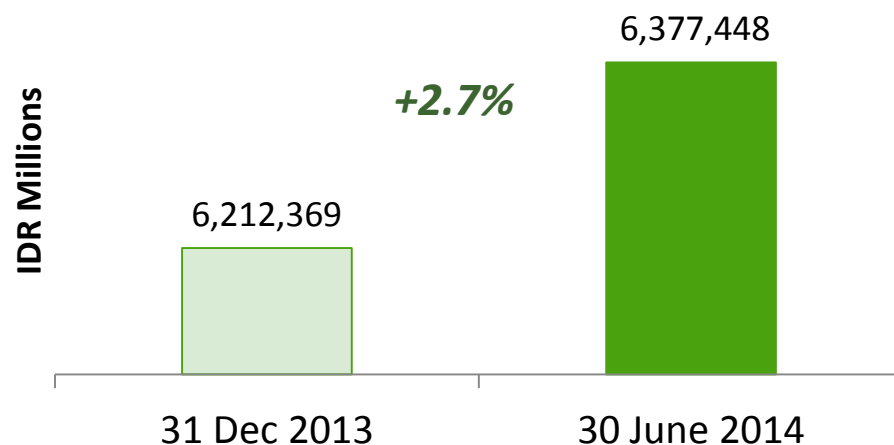
Note: TBLA Corporate Bond II issued in June 2012, with nominal value of IDR 1 Trillion, fixed rate of 10.5%, 5 years tenor maturing in July 2017. It is rated *id* A (Single A) by Pefindo.

Bank Loan Currency Profile

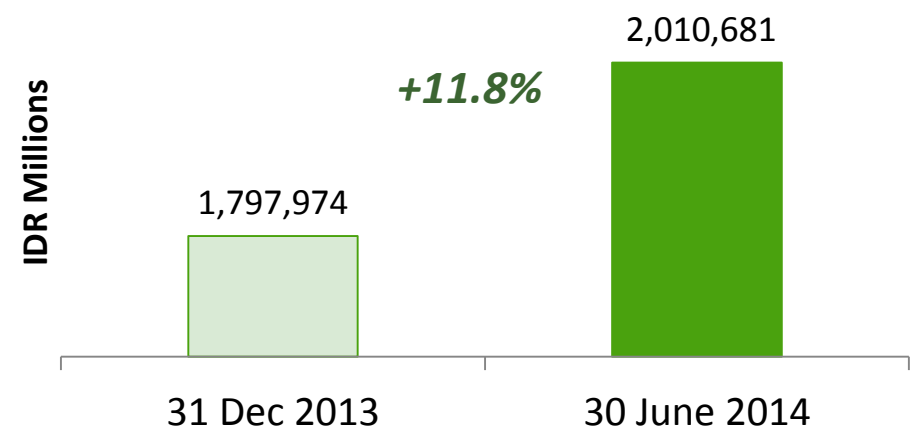


Note: TBLA's gearing profile is on the higher side, but still manageable with Debt Equity Ratio at **1.5** in 1H2014. It is relatively higher than most pure upstream palm plantation company, given TBLA's investments in downstream industry (e.g: palm cooking oil) – See: Page 9, 14 & 15. Nevertheless, we take our gearing position very seriously and looking to gradually reduce it over time.

Total Asset



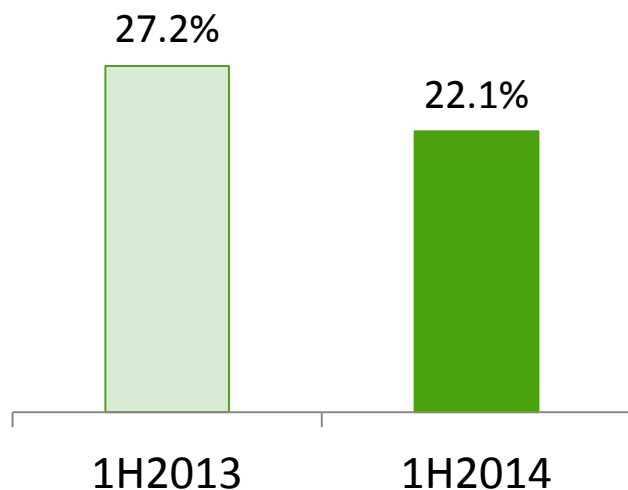
Total Equity



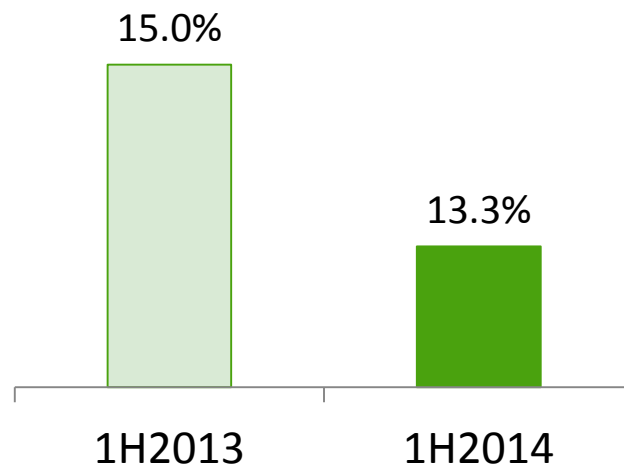
Financial Ratios

1H2014

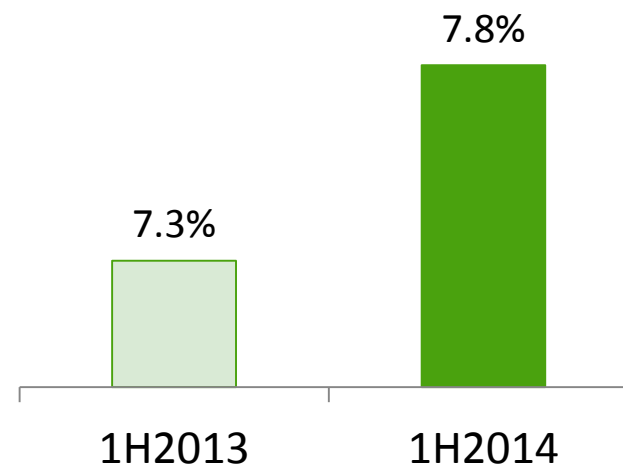
Gross Margin



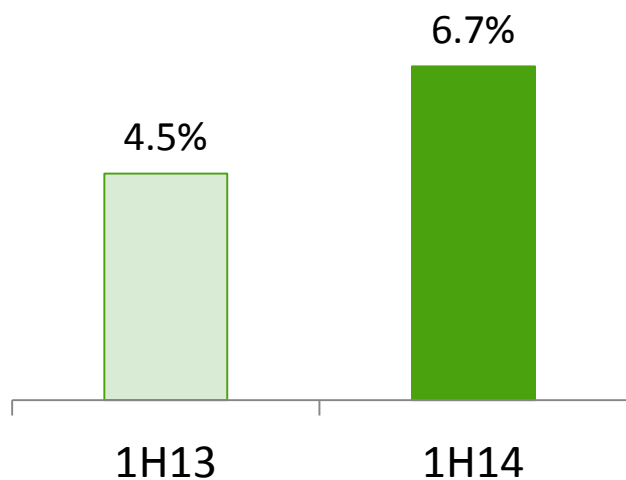
Operating Margin



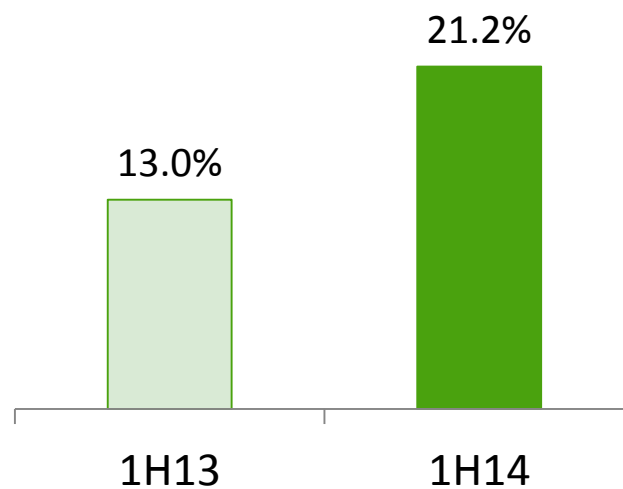
NPAT Margin



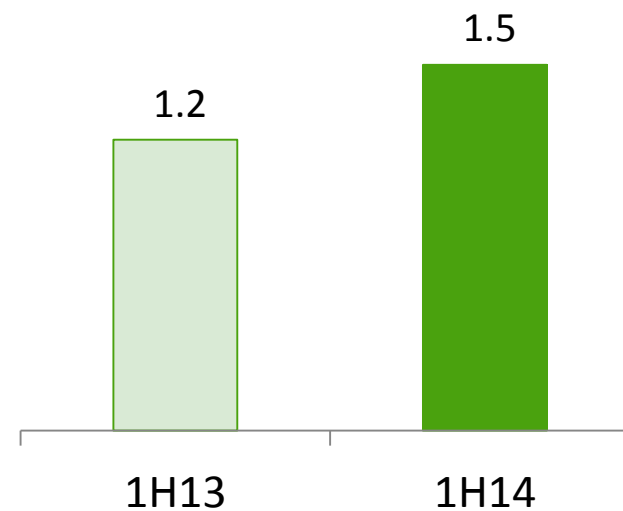
ROA¹⁰



ROE¹⁰



DER



¹⁰Annualized

Growth Profile

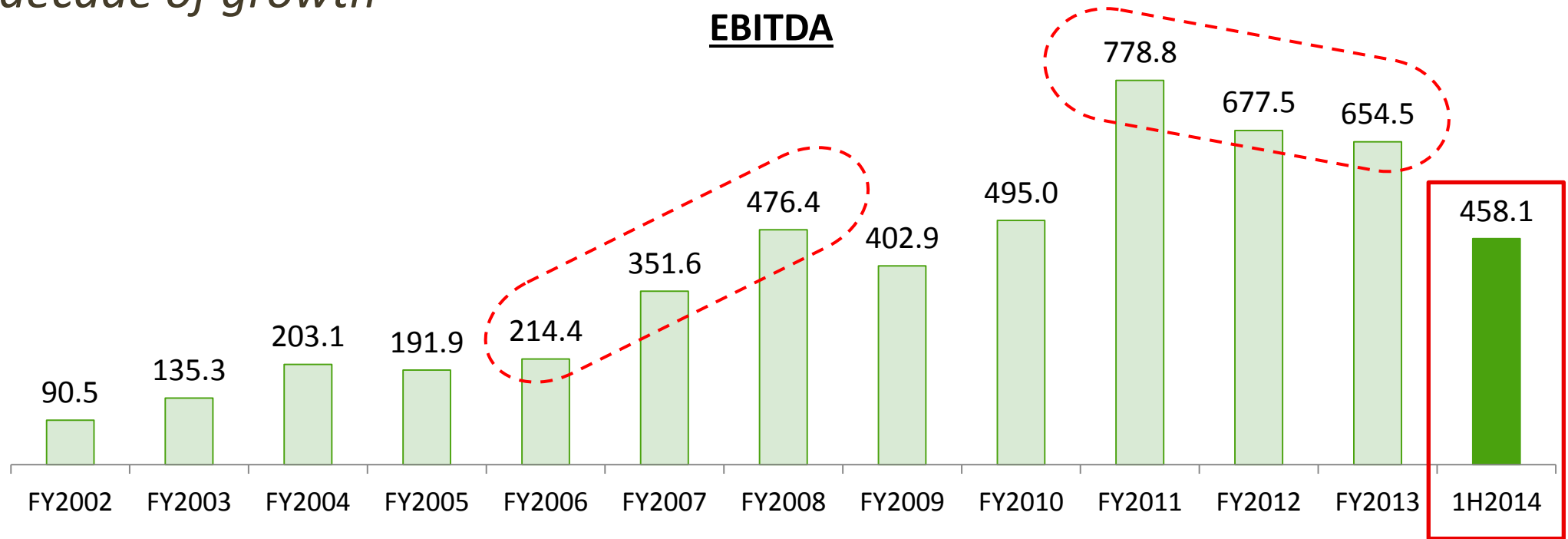
a decade of growth

Strengths Through Integration



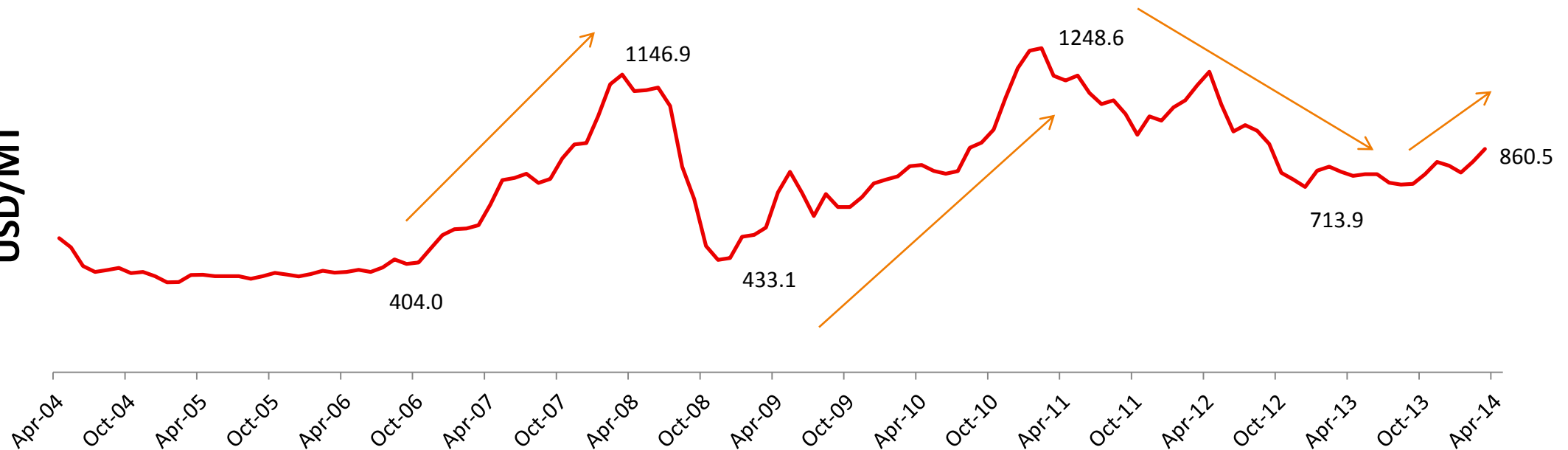
EBITDA

IDR Billions



CPO Price¹¹

USD/MT



¹¹ source: www.indexmudi.com



Expansion Plan

1. PLANTATION GROWTH

TBLA is currently adopting 2 pronged strategy which are focusing on expanding oil palm estate to locations that could contribute higher yield in Palembang & West Kalimantan, and converting some of its oil palm estate in Lampung into sugar cane plantation. Oil palm products will still be the main revenue driver for the Company, while sugar will become a major revenue contributor in the foreseeable future.

a. Oil Palm

TBLA targets growth of **± 2,000 Ha - 4,000 Ha per annum**, focusing on Palembang (South Sumatera) & Pontianak (West Kalimantan).

b. Sugar Cane

TBLA targets progressive growth over the next 3 years to bring the Company's sugar cane plantation in Lampung to **± 12,000 Ha - 15,000 Ha** by 2016 by converting existing old cpo estate to sugar cane plantation. Lampung provides many benefits of sugar cane planting:

- ✓ *Suitable soil condition for sugar cane planting in Lampung that gives high yield (90 MT – 120MT per Ha) with good rendemen (8% - 10%, also depend on mill efficiency);*
- ✓ *Surrounded by modern sugar mills, as Lampung is the top 2 sugar producing provinces of Indonesia (the other is East Java) – while the sugar mill is being built, plantation can already start as sugar cane harvest can be sold to surrounding mills;*
- ✓ *Strategically located near Java, Indonesia's biggest market for sugar.*

Going Forward



Expansion Plan

2. EXPANDING PRODUCTION CAPACITIES

a. CPO Mills

- Bengkulu: 45 MT/hour expanded to 60 MT/Hour – estimated completion by **3Q2015**

b. Palm Cooking Oil refinery

- Lampung: estimated completion in **4Q2014**

- East Java: estimated completion in **3Q2015**

each with 300,000 MT/annum (1,000 MT/day) capacity. *See: Page 10*

c. Sugar Mill

- Lampung: Capacity of **8,000 TCD** (Tons Cane Day) with 150 operating days per annum which translates to **± 120,000 MT** of sugar production per annum. In line with TBLA's plan in expanding its sugar cane plantation to **± 12,000 ha - 15,000 Ha** in Lampung by 2016 (inc plasma). Note: At present TBLA already own and operate a sugar refinery in Lampung with **216,000 MT** annual capacity (*See: Page 13 & 14*).

Contact Us

Strengths Through Integration



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Email : eric.tirtana@sungaibudi.com

Phone : (+62 21) 521 3383


Fax : (+62 21) 521 3392

www.tunasbarulampung.com

Appendix 1 – RSPO Certificate



The image shows a green RSPO Certificate for PT. TUNAS BARU LAMPUNG Tbk. The certificate is issued by SUCCOFINDO INTERNATIONAL CERTIFICATION SERVICES. It certifies that the company has implemented RSPO requirements that comply with the RSPO Principles and Criteria (2007) for Sustainable Palm Oil Production, as specified in the National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production, Republic of Indonesia, and the accompanying indicators and guidance (RSPO INA-NIWG : May 2008). The scope of certification is described in Appendix-1. The certificate is valid from November 01st, 2013 until October 31st, 2018. The certificate number is RSP0 00001. The company's address is Wisma Budi Lt. 9 Jl. H.R. Rasuna Said Kav C-6, 12940 Jakarta Selatan INDONESIA. The certificate is signed by Rudyanto, Chairman of the Governing Board.


CERTIFICATE
SUCCOFINDO

Certificate No. RSP0 00001

SUCCOFINDO INTERNATIONAL CERTIFICATION SERVICES
Graha Succofindo 81 Floor - Jl. Raya Paser Minggu Kay. 34 Jakarta 12780
Phone : +62-21-7983666 ext. 1021; Fax : +62-21-7987015 / 7987020; Email : cs.succo@succofindo.co.id

RSPO
Foundation on Sustainable Palm Oil

PT. TUNAS BARU LAMPUNG Tbk
Wisma Budi Lt. 9 Jl. H.R. Rasuna Said Kav C-6, 12940 Jakarta Selatan
INDONESIA

has implemented a RSPO requirements that comply with

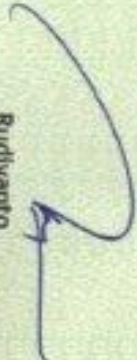
RSPO Principles and Criteria (2007) for Sustainable Palm Oil Production

As specified in the

National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production, Republic of Indonesia, and the accompanying indicators and guidance (RSPO INA-NIWG : May 2008)

The scope of certification is described in Appendix-1

This certificate is valid provided that the organization continues to meet the criteria as laid down by SUCCOFINDO INTERNATIONAL CERTIFICATION SERVICES


Rudyanto
Ketua Badan Pelaksana
Chairman of Governing Board

This certificate is valid from November 01st, 2013 until October 31st, 2018

1408990
SCI-2007A