

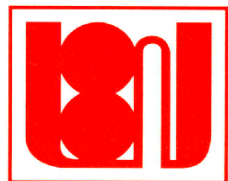


12 Nov 2014

PT. TUNAS BARU LAMPUNG TBK (IDX: TBLA)

*Investor Presentation
November 2014*

a member of Sungai Budi Group



DISCLAIMER

These materials have been prepared by PT Tunas Baru Lampung Tbk (the “Company”) and have not been independently verified. No representation or warranty, expressed or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in these materials.

The Company or any of its affiliates, advisers or representatives accepts no liability whatsoever for any loss howsoever arising from any information presented or contained in these materials. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed. These materials contain statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. These statements can be recognized by the use of words such as “expects,” “plan,” “will,” “estimates,” “projects,” “intends,” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions.

The Company has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances. These materials are for information purposes only and do not constitute or form part of an offer, solicitation or invitation of any offer to buy or subscribe for any securities of the Company, in any jurisdiction, nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract, commitment or investment decision whatsoever. Any decision to purchase or subscribe for any securities of the Company should be made after seeking appropriate professional advice.

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.

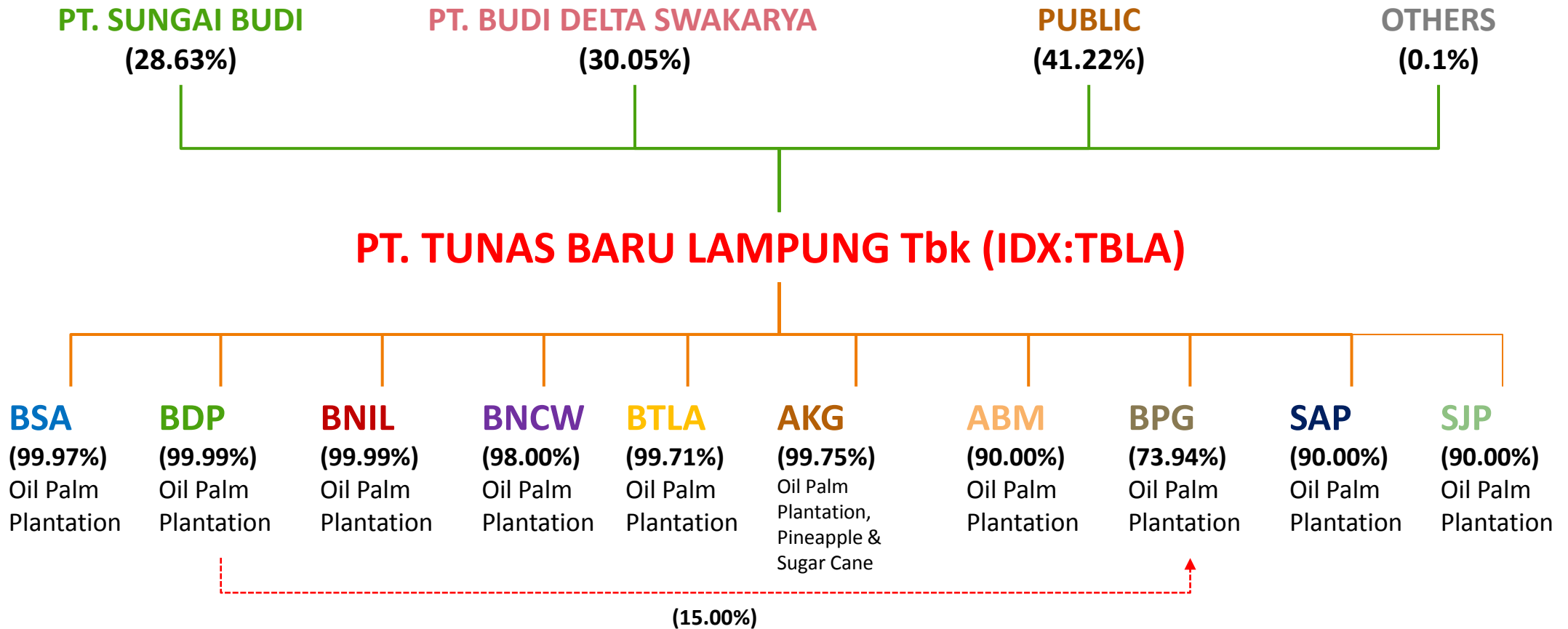


Company Structure

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 30 September 2014

PALEMBANG⁴

Total Area : 15,800 Ha
 Planted : 13,099 Ha
 Mature : 9,525 Ha

⁴ Included in "Total Area", plasma of **2,800 ha** and in "Planted", plasma of **2,752 Ha**

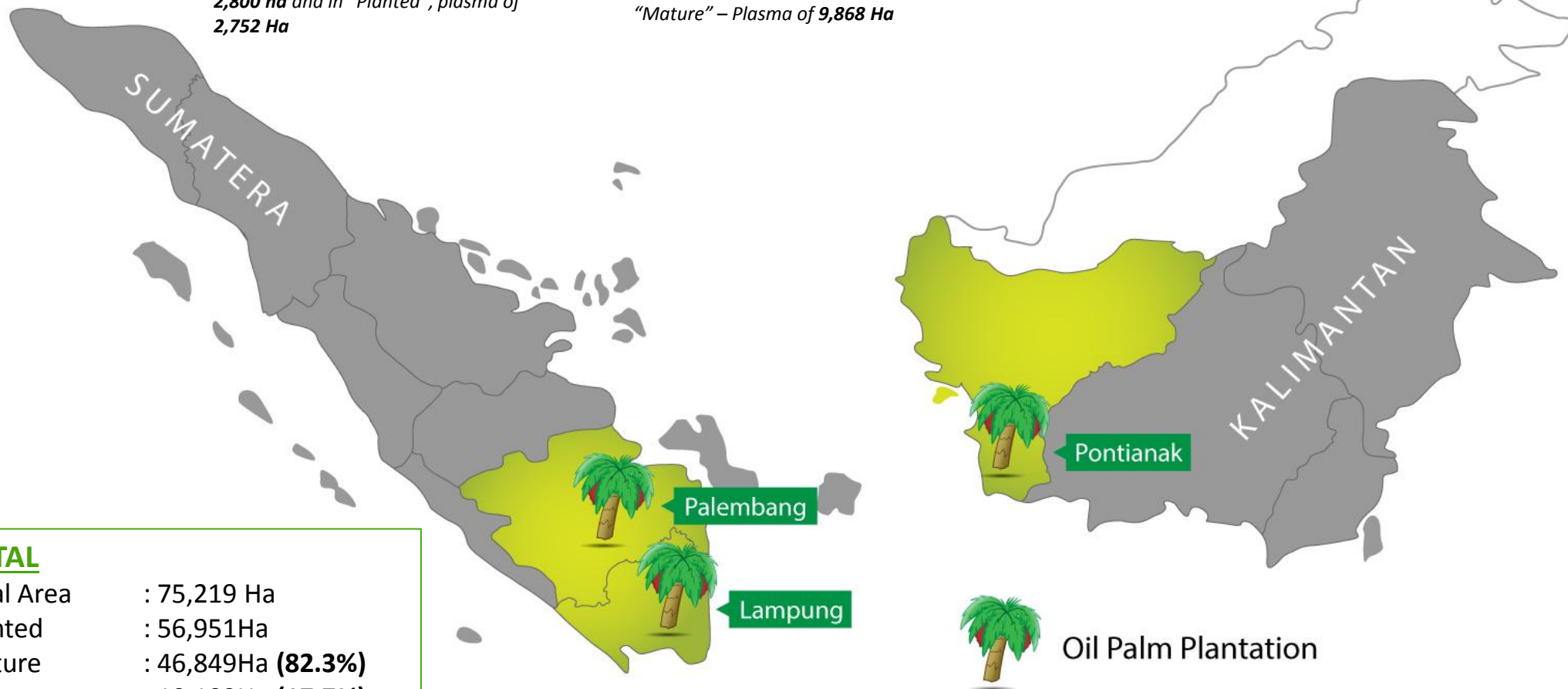
LAMPUNG³

Total Area : 45,919 Ha
 Planted : 37,807Ha
 Mature : 34,023Ha

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

PONTIANAK

Total Area : 13,500 Ha
 Planted : 6,045Ha
 Mature : 3,301 Ha



TOTAL

Total Area : 75,219 Ha
 Planted : 56,951Ha
 Mature : 46,849Ha (**82.3%**)
 Immature : 10,102Ha (**17.7%**)

Note: Included in "Total Area", plasma of **12,688 ha**; in "Planted", plasma of **12,620 Ha** & in "Mature", plasma of **11,623 Ha**



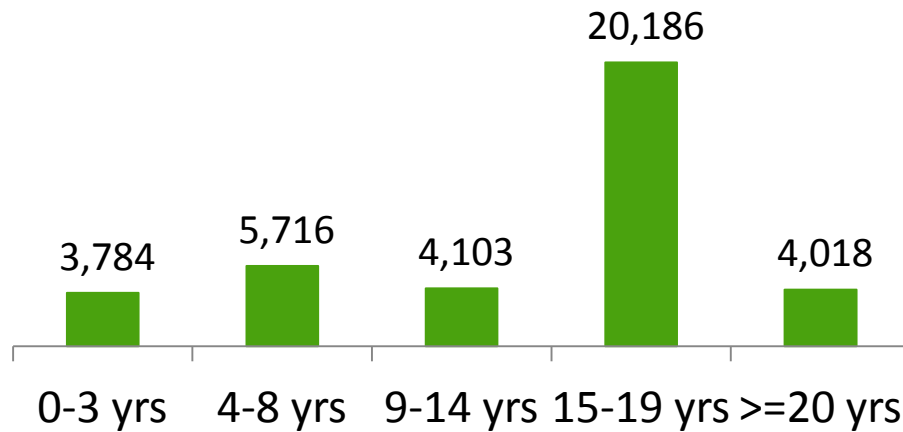
Oil Palm Plantation

Plantation Profile

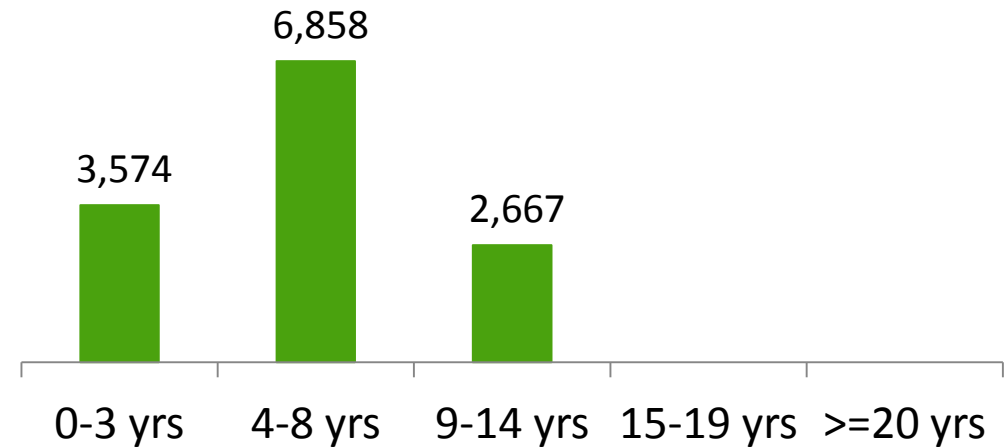


Oil Palm (per 30 September 2014)

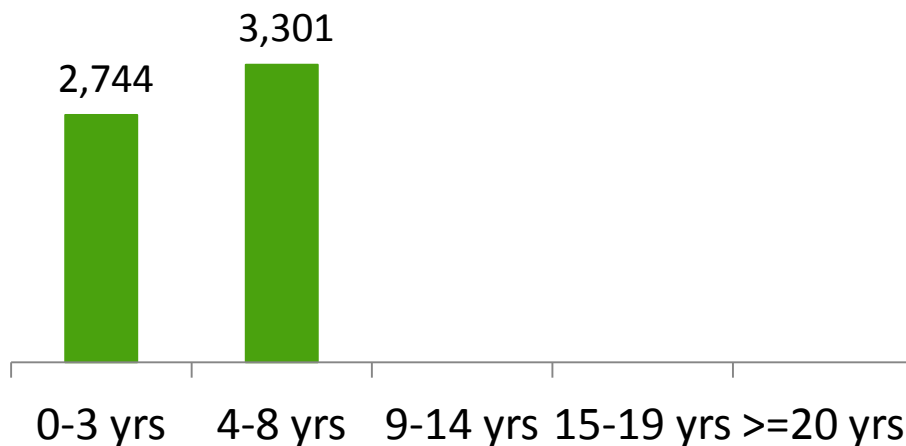
Lampung



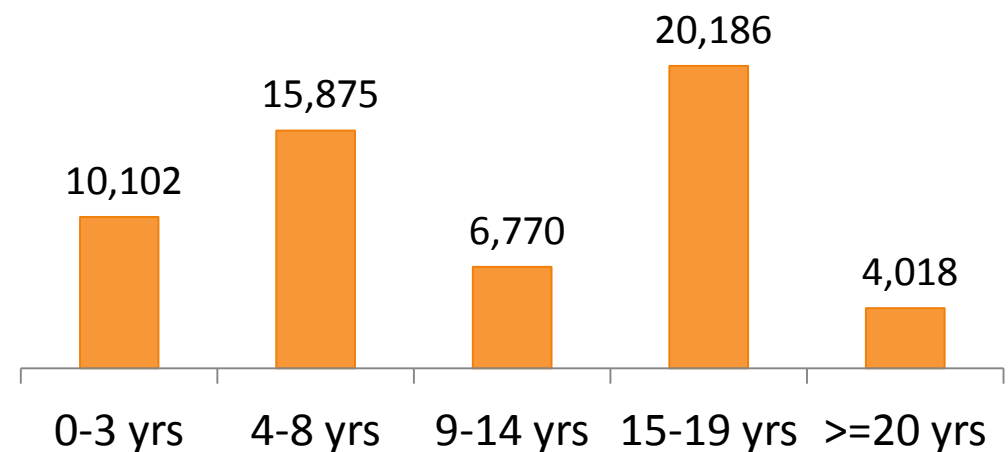
Palembang



Pontianak



Consolidated



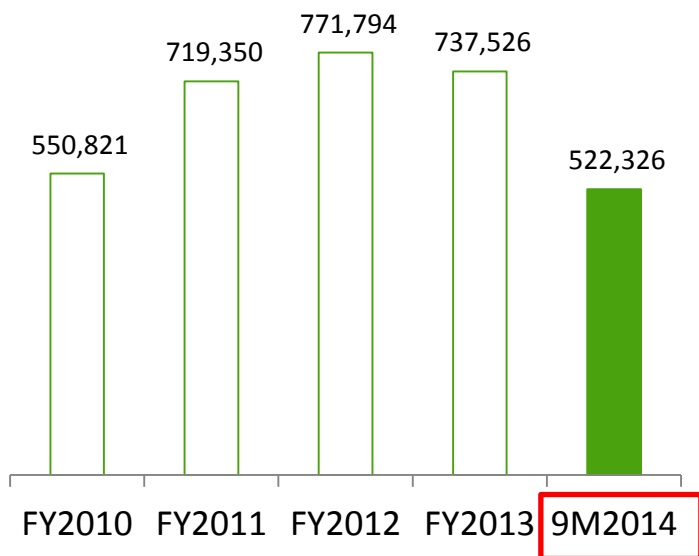
Production Highlights

Strengths Through Integration

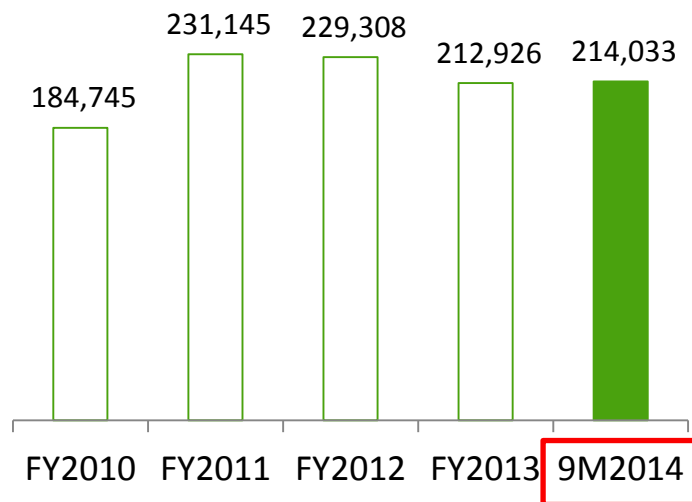


Oil Palm

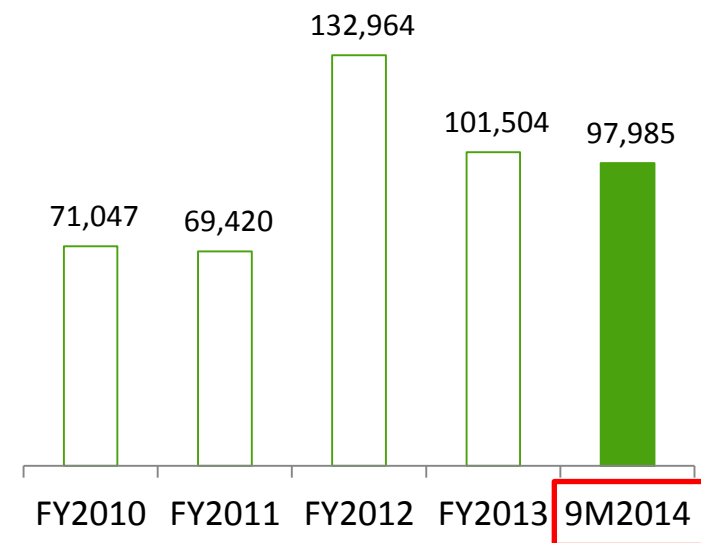
FFB harvested (Ton)



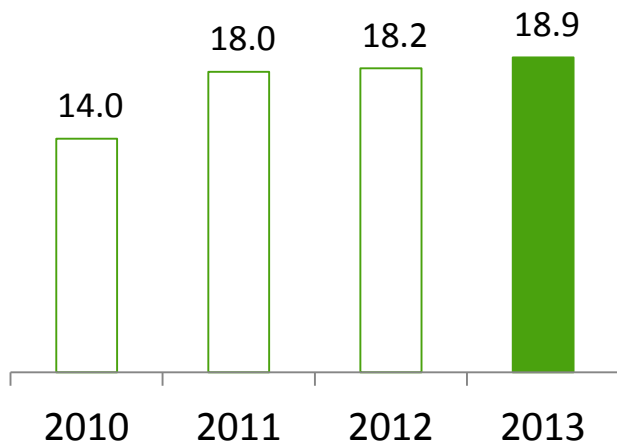
CPO (Ton)



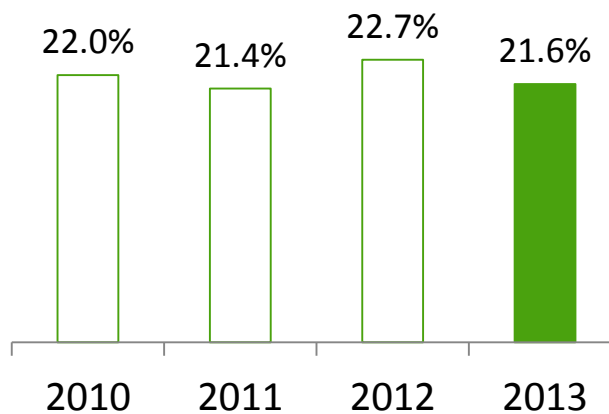
Cooking Oil (Ton)



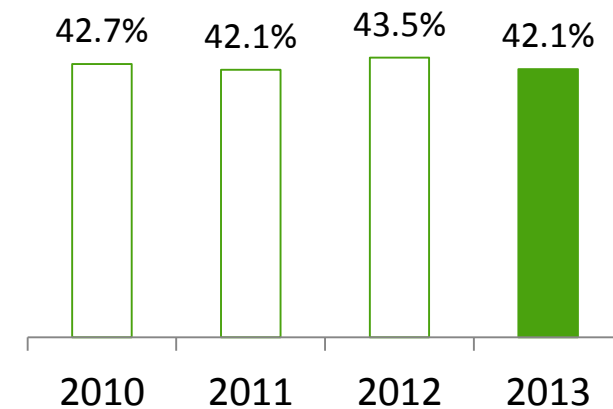
FFB Yield (MT/Ha)



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



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

Quick Illustration



SUGAR CANE PLANTION



- Extract sucrose from sugarcane
- Efficient **rendemen** (extraction rate) typically around 10%



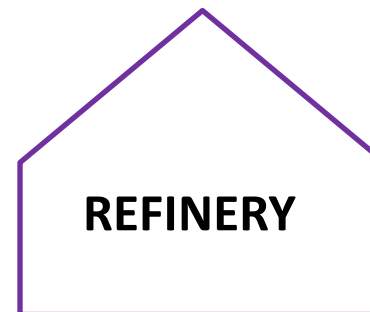
MILL WHITE SUGAR

- Direct Consumption
- Typically 97.5% sucrose + 2.5% impurities
- Impurities bleached through 'sulfitation'
- Typical ICUMSA level 200



RAW SUGAR

- Typically 97.5% sucrose + 2.5% impurities
- Typical ICUMSA level 800 – 2,000



- Removed impurities from raw sugar

REFINED SUGAR



- Industrial food grade sugar
- Typically 99.9% sucrose
- Typical ICUMSA level 45 - 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



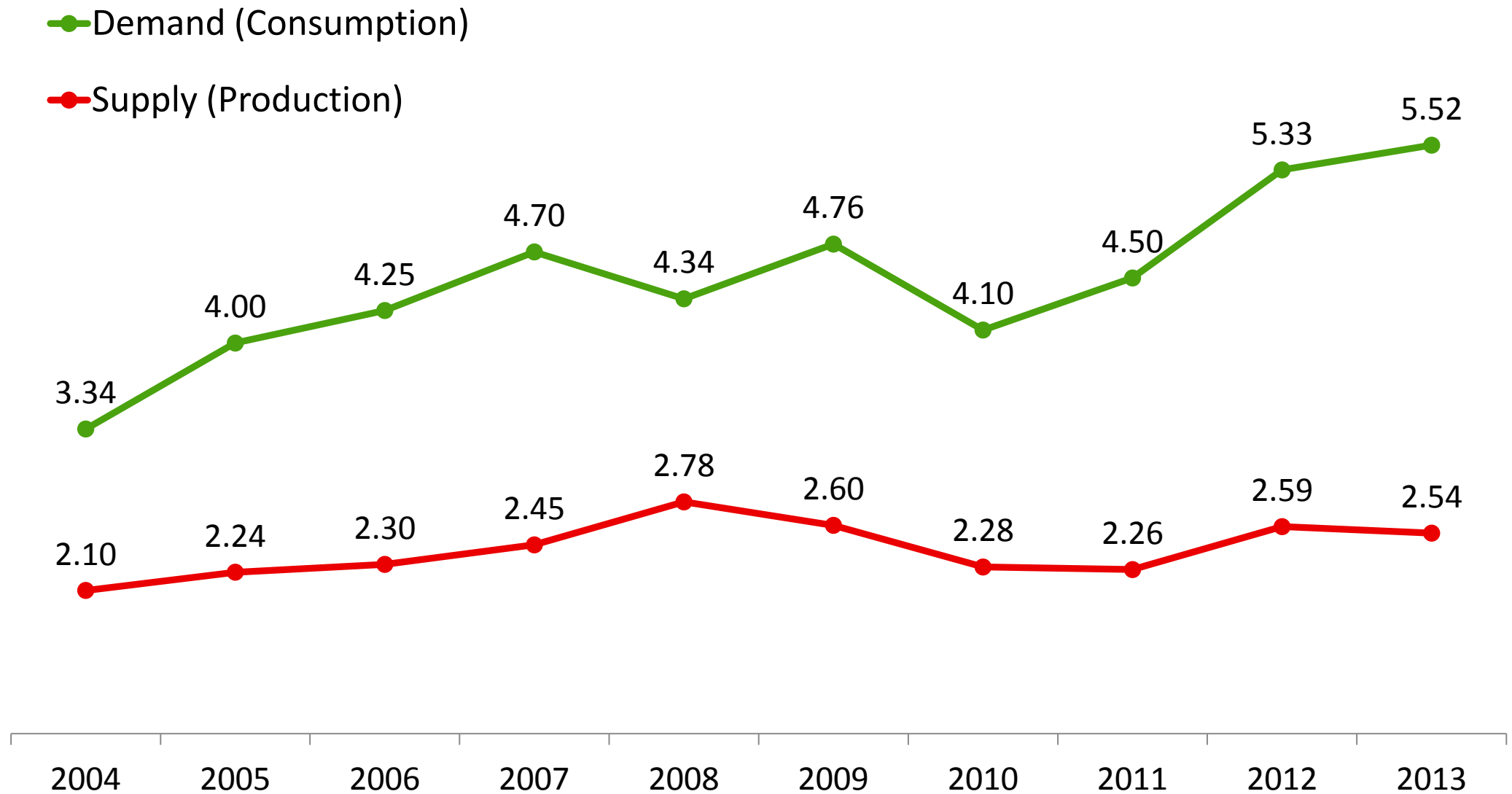
Image: TBLA's Raw Sugar Storage 1 - Inside

Sugar Demand VS Supply



Indonesia

Indonesia's Sugar Demand VS Supply (Million MT)



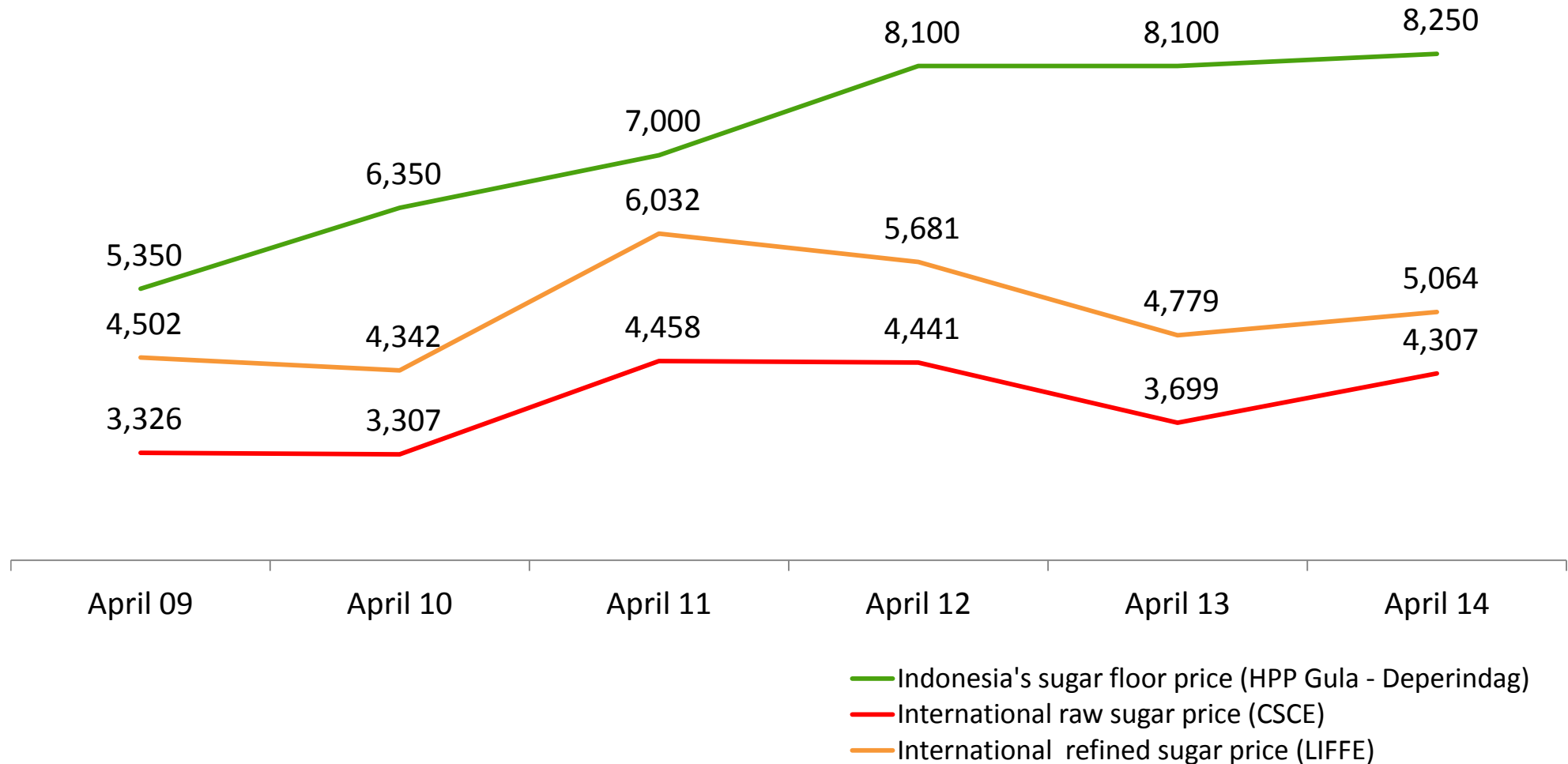
Source: Kontan, 8 July 2014

Sugar Price Comparison



Domestic VS International

Sugar Price (IDR/Kg)



Note:

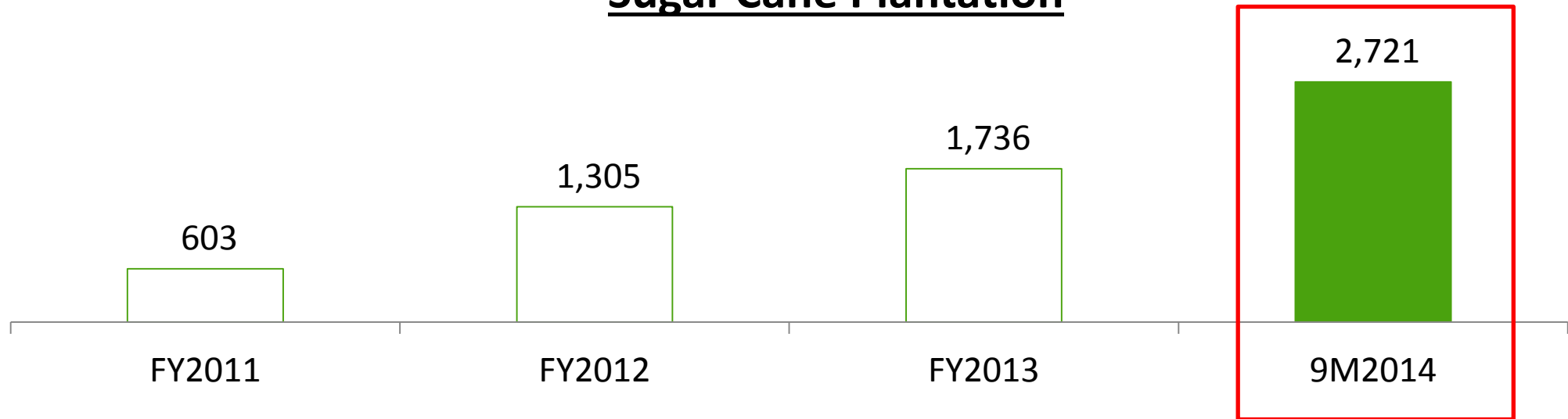
- Indonesia's floor price for sugar is set by the department of industry and trade (DEPERINDAG) before the start of the milling season in April each year.
- Raw sugar price as quoted on the New York Coffee, Sugar and Cocoa Exchange (CSCE).
- Refined sugar price as quoted on London based LIFFE (London 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 Cane Plantation



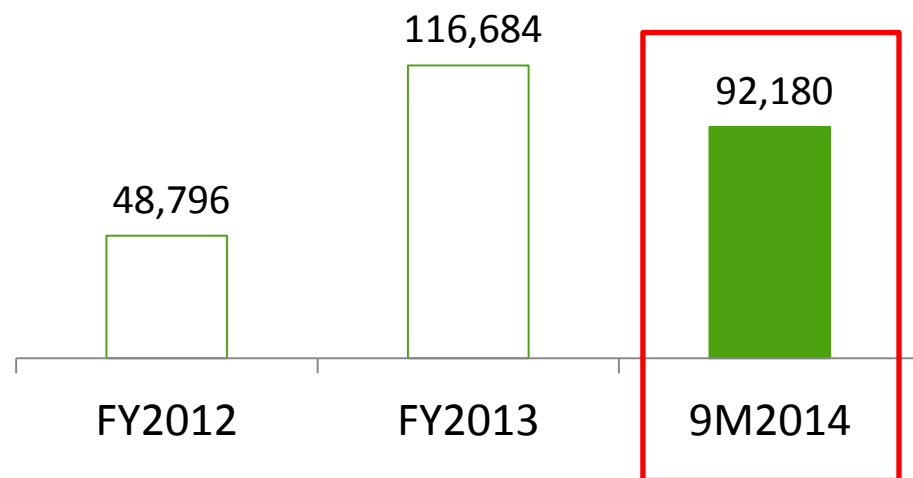
Accelerated Growth

Sugar Cane Plantation

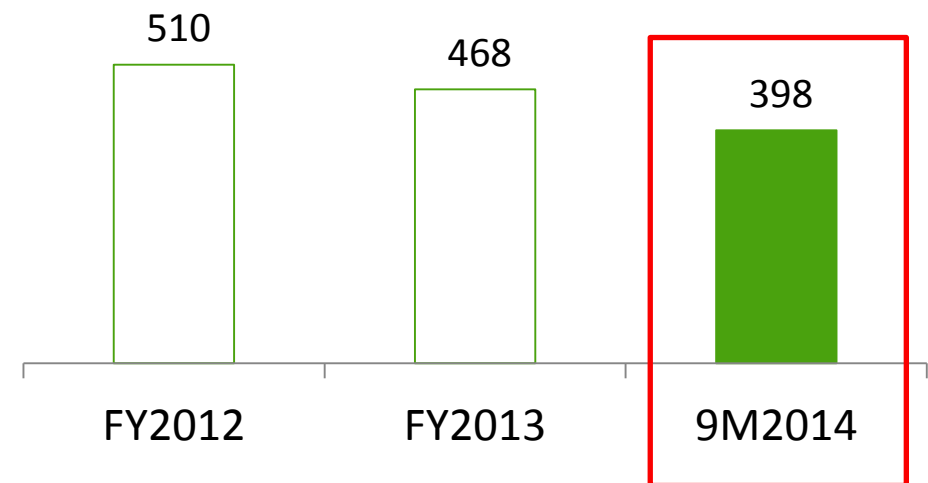


Note: Planted plasma at group level is around 2,000 ha per 9M2014.

Sugar Cane Harvest (MT)



Sugar Cane ASP (IDR/Kg)



Sugar Cane Plantation



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

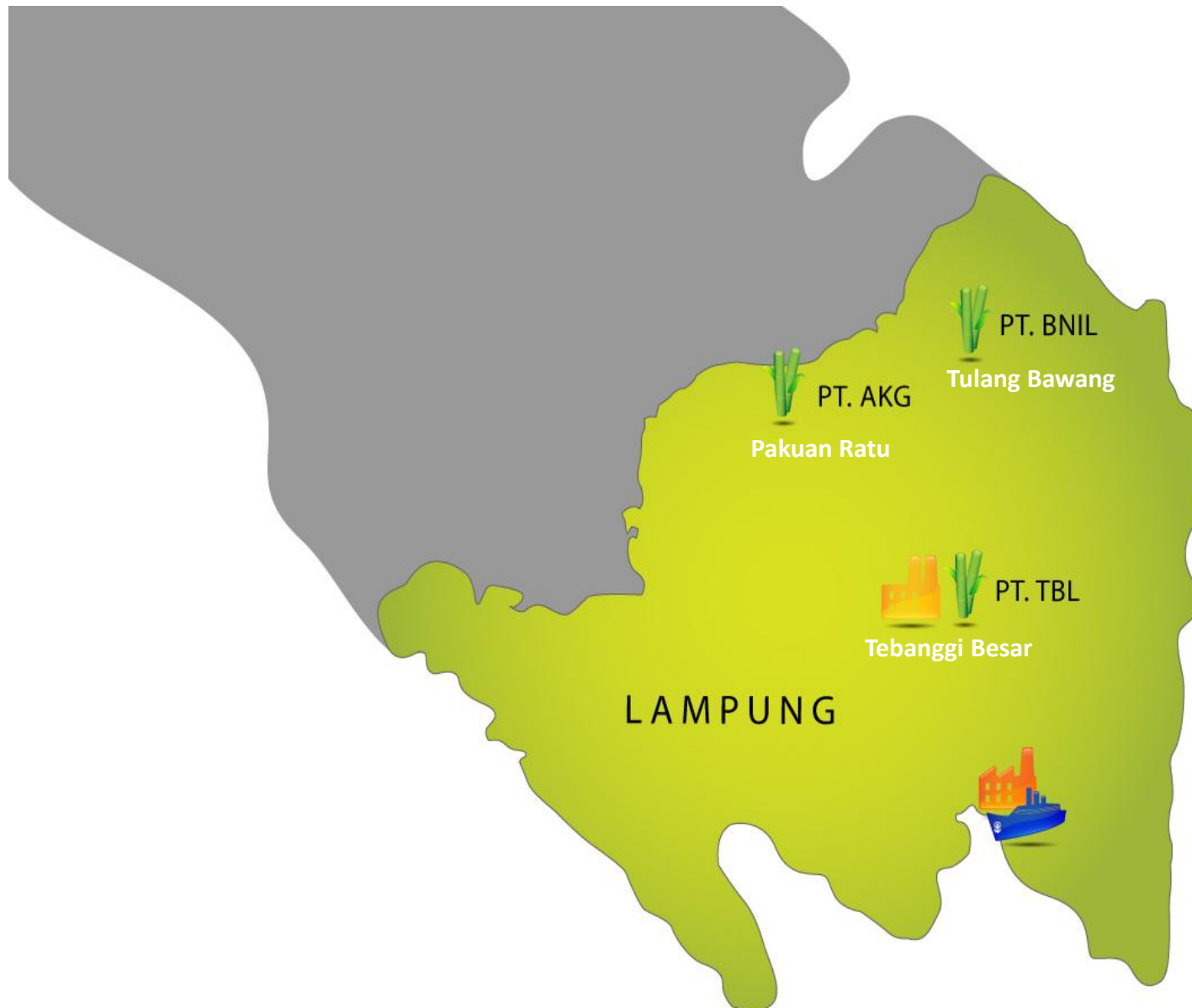
Integrated Sugar Production

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' 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.

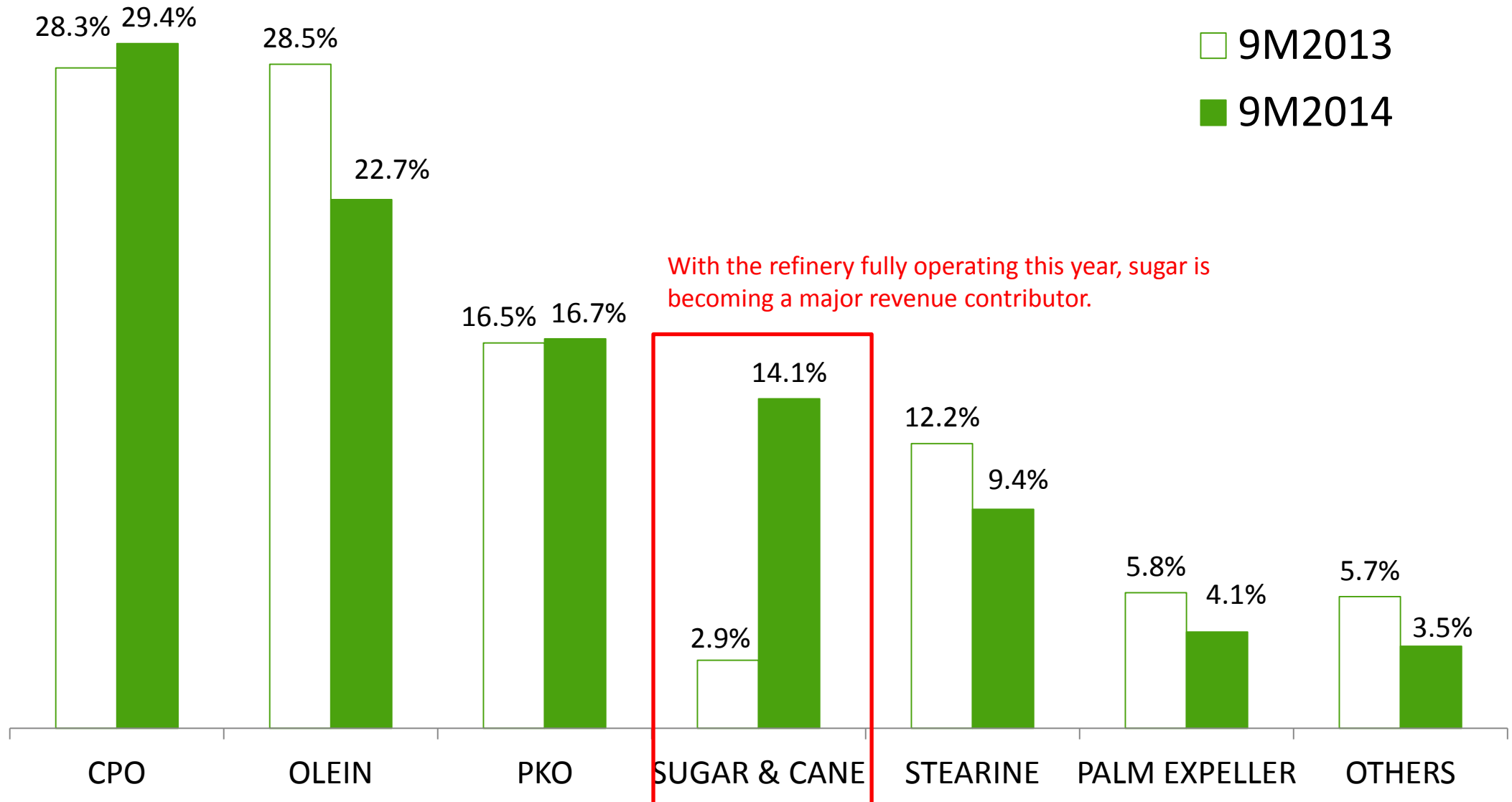
TBLA processing plant in Lampung is supported with own coal fired power plants: 2 X 6 MW and 1 X 4 MW.

Product Contribution



9M2014

Sales Breakdown by Products



Note: Others include FFB, Margarine, Laundry & Cream Soap, PKFAD, RBDPO, FFA, Pineapple and Molasses.

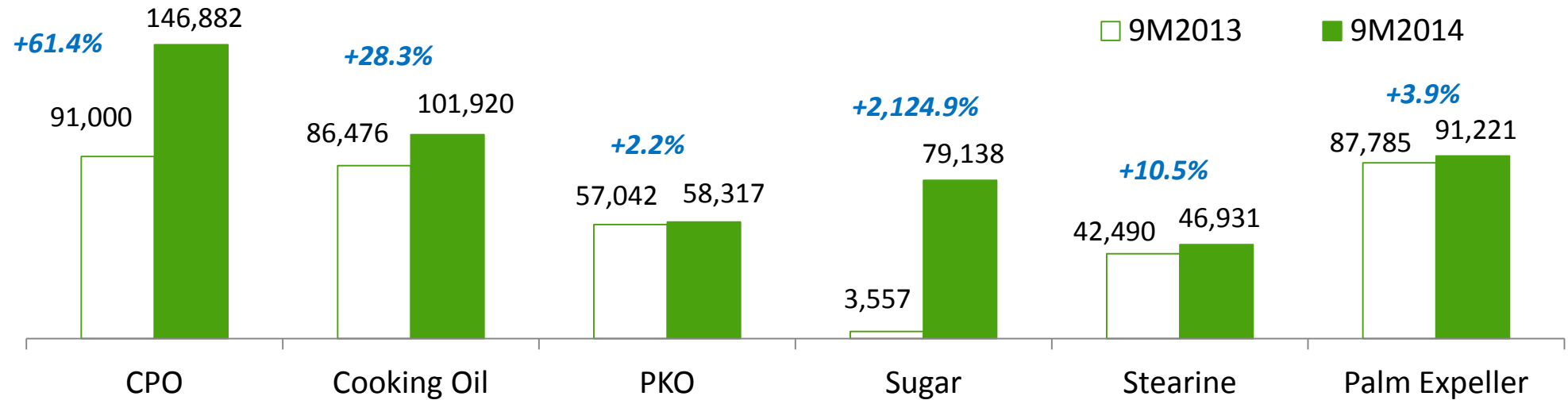
Sales Volume & ASP

Strengths Through Integration

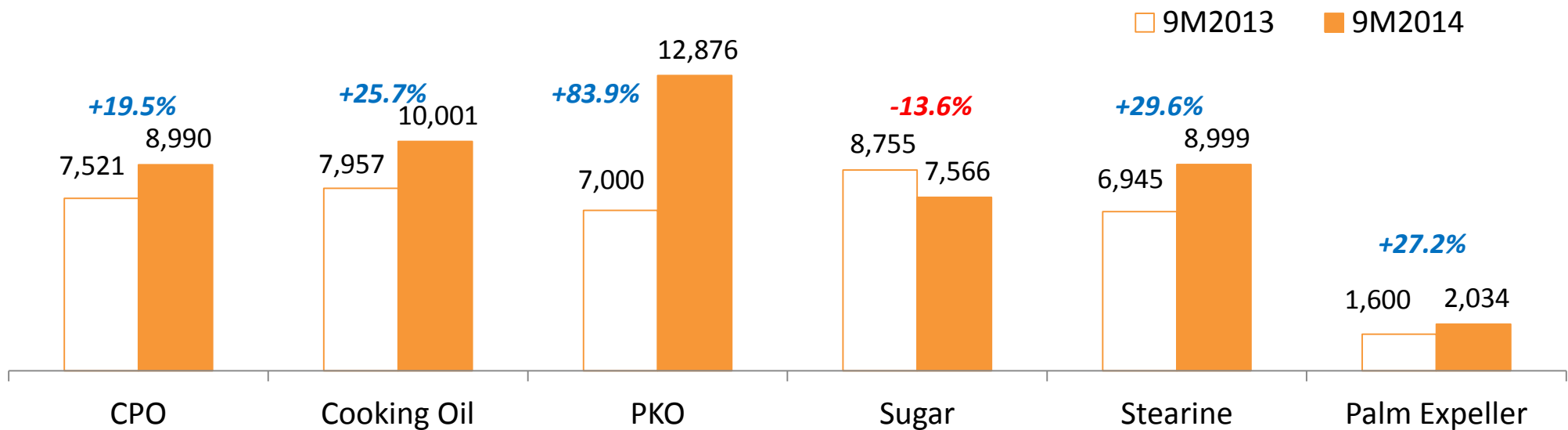


Main products – 9M2014

Sales Volume (Ton)



Average Selling Price (IDR/Kg)

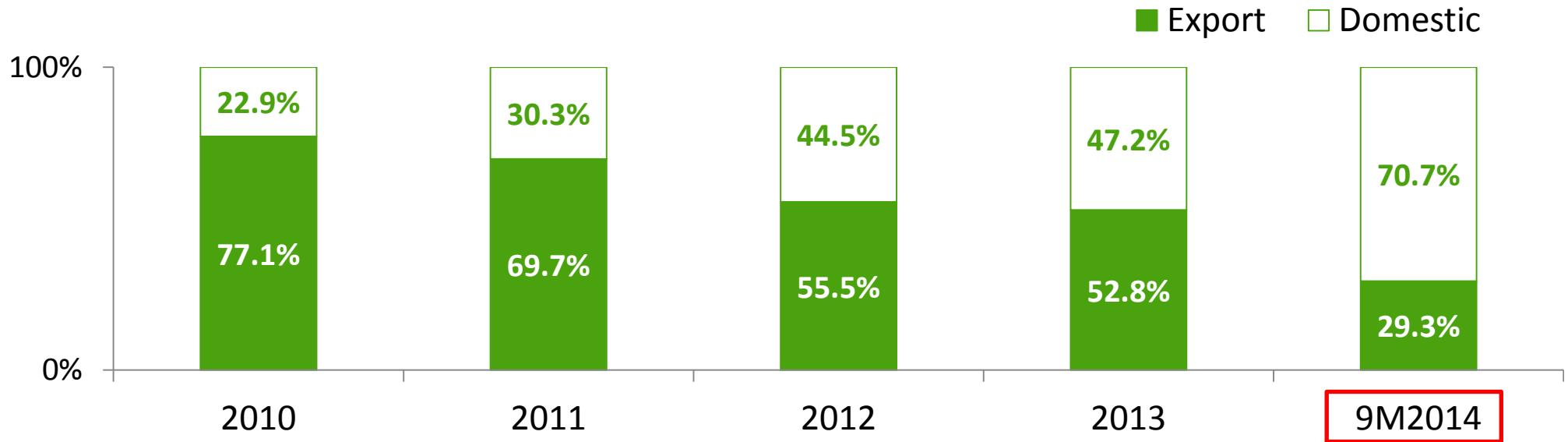


Sales Composition

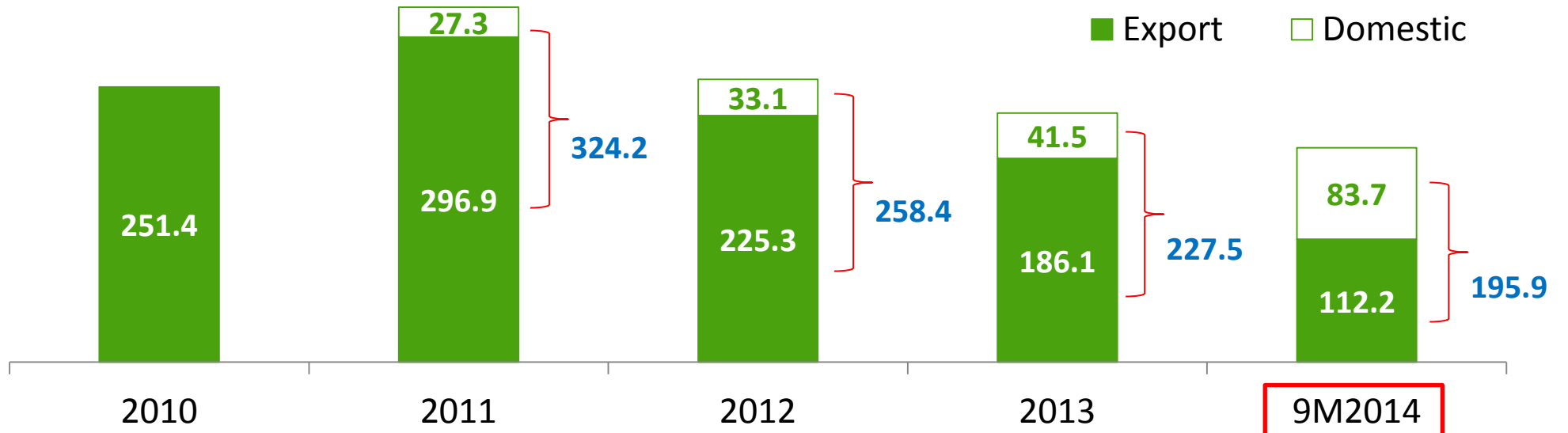
Strengths Through Integration



Export VS Domestic Sales



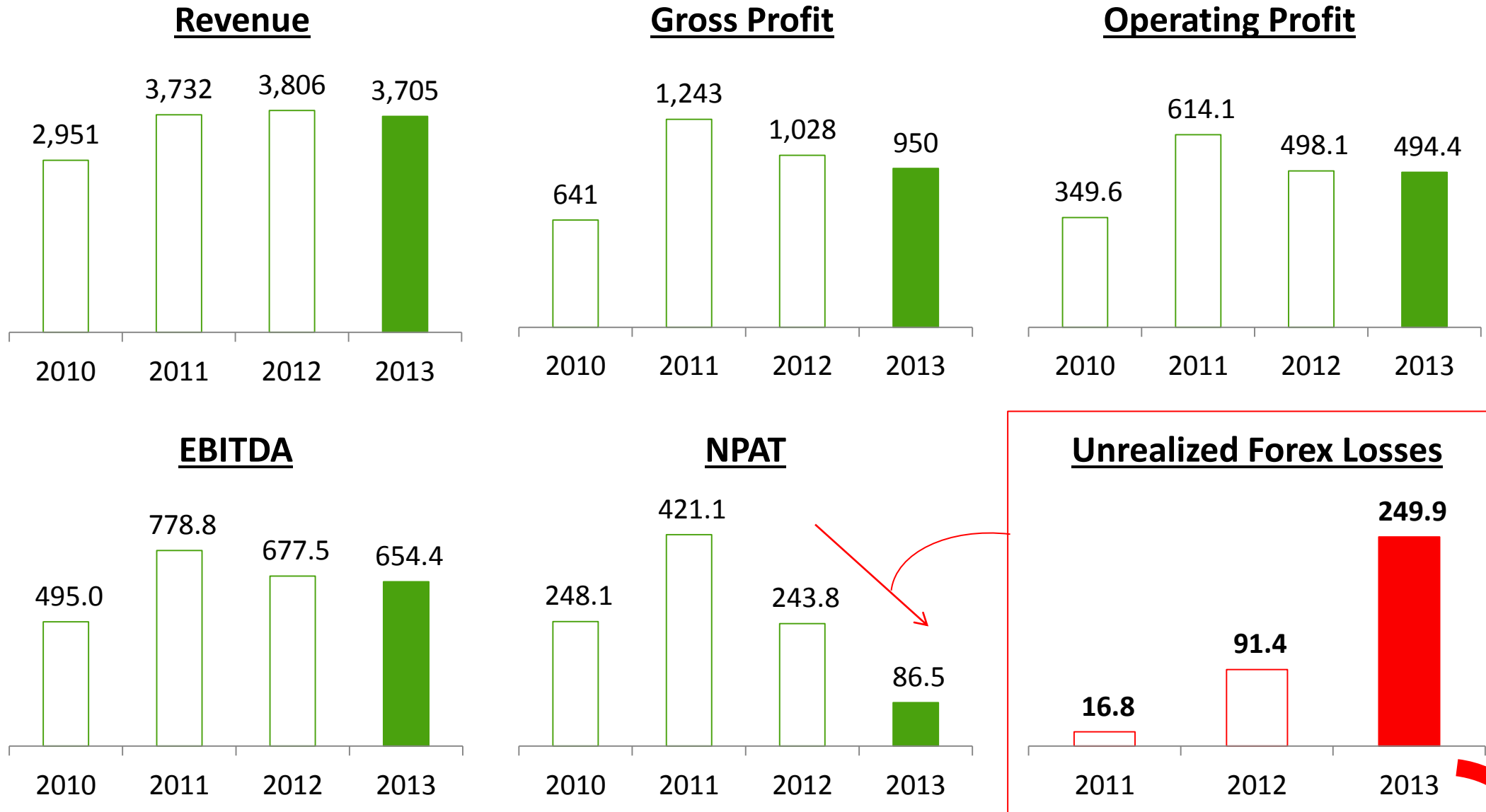
USD Sales ('millions)



Financial Summary



P&L - Annual (Figures in IDR billions)



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.

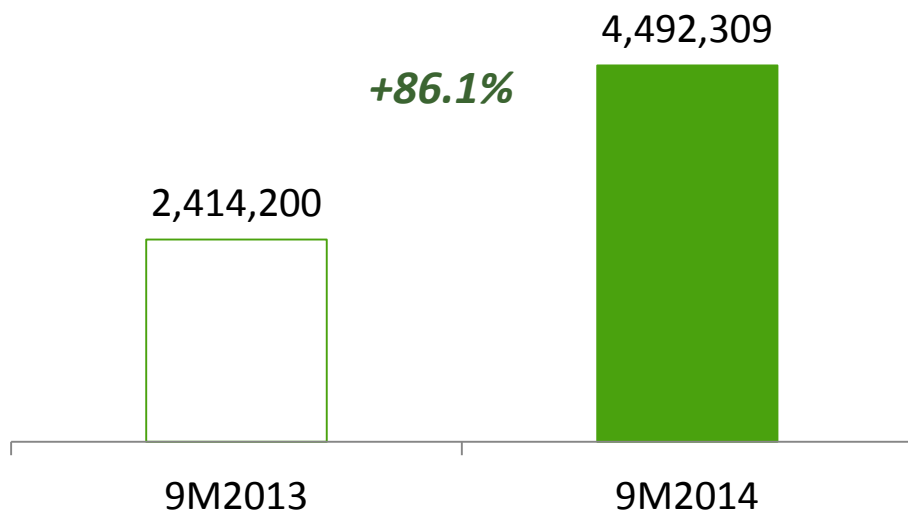
Financial Summary

Strengths Through Integration

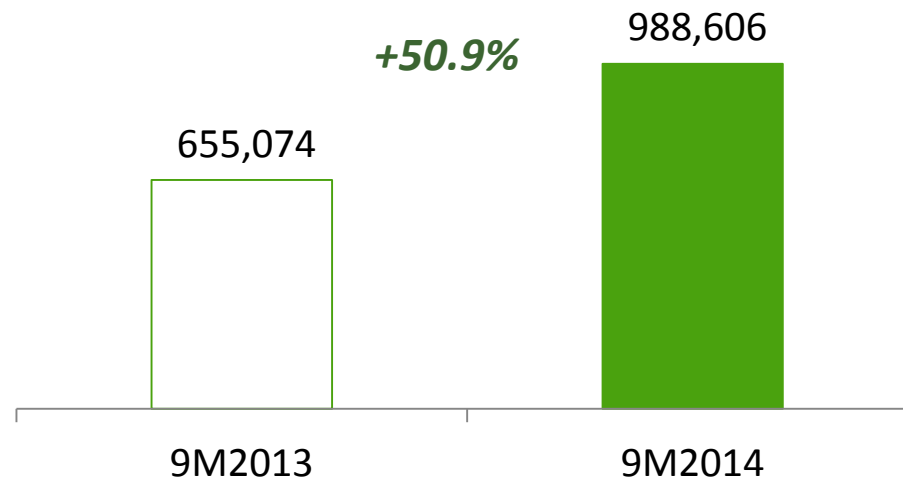


P&L – 9M2014 (Figures in IDR millions)

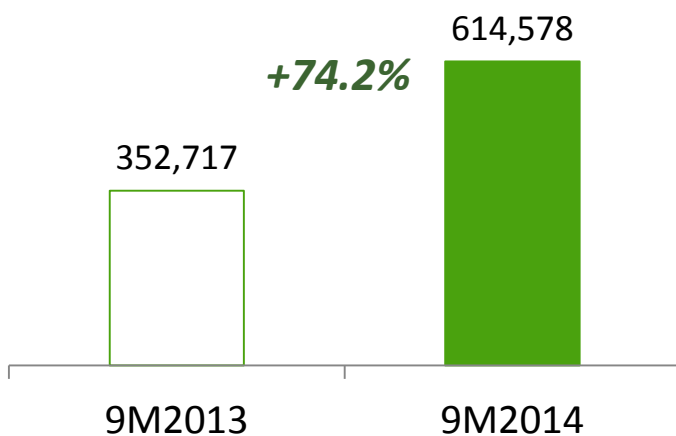
Revenue



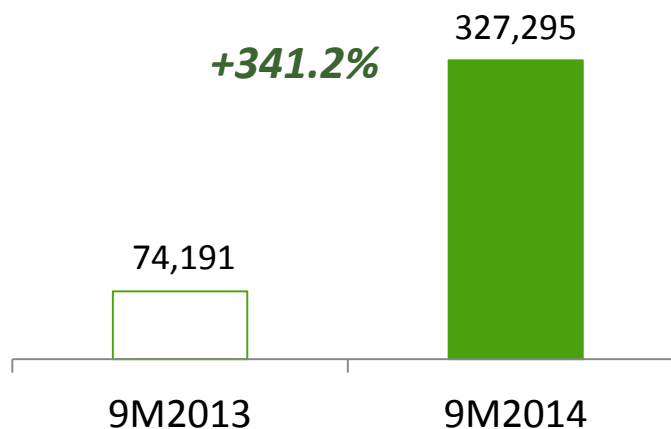
Gross profit



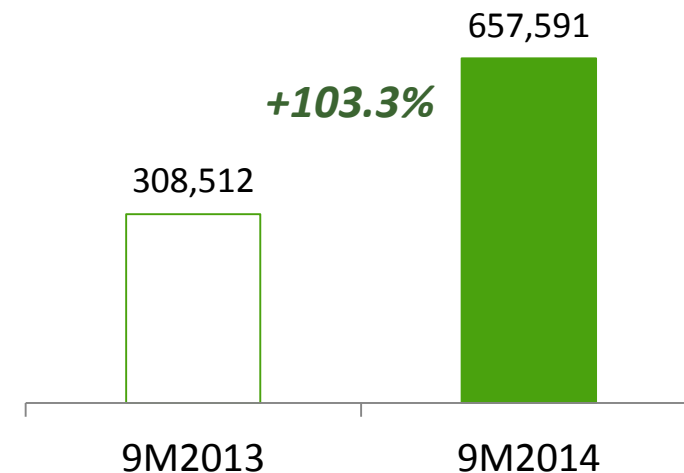
Operating profit



NPAT



EBITDA



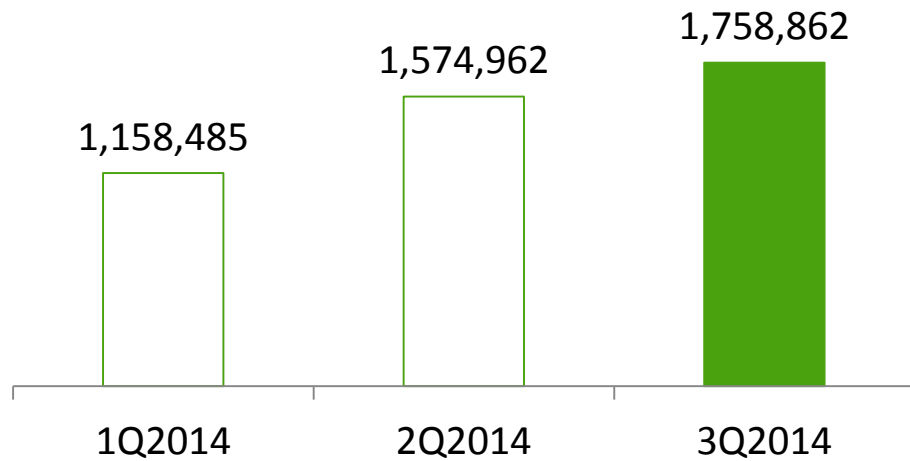
Financial Summary

Strengths Through Integration

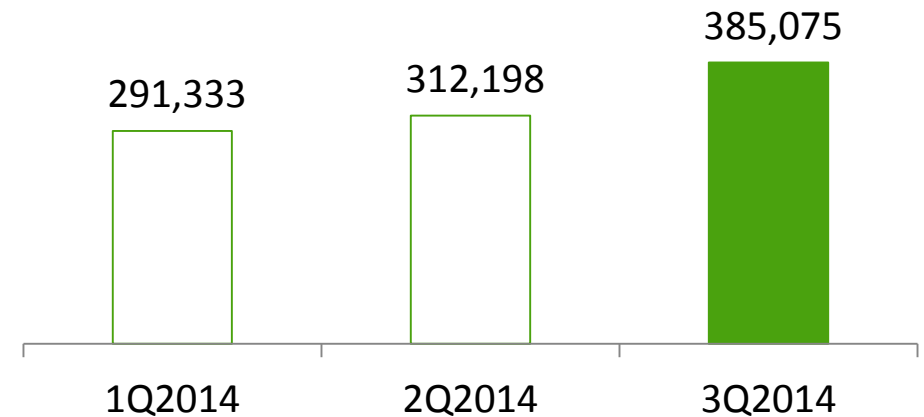


P&L – Quarter on Quarter (Figures in IDR millions)

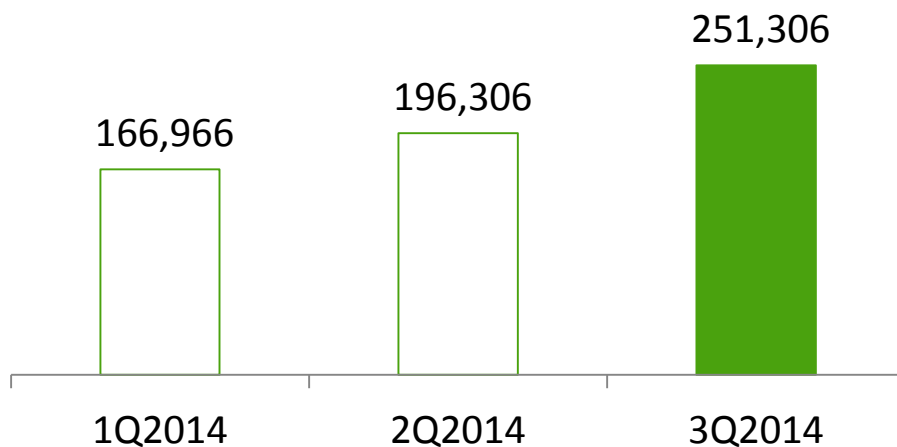
Revenue



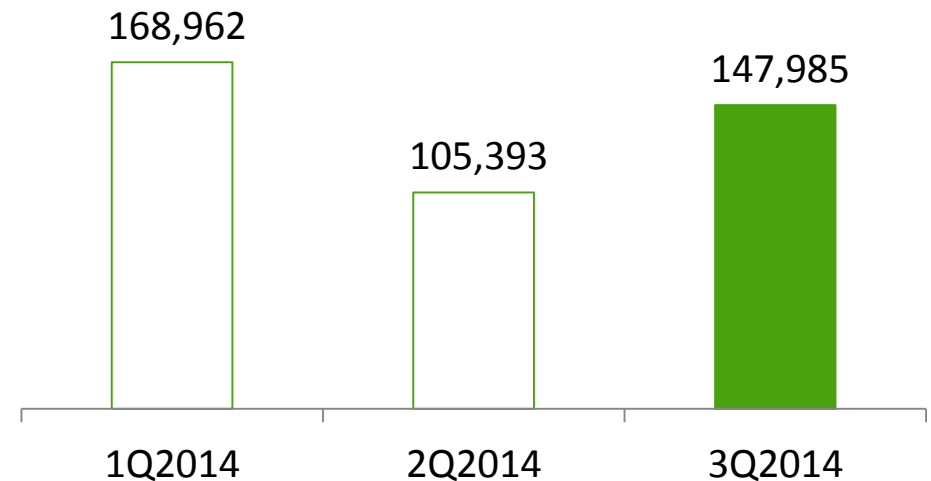
Gross profit



Operating profit



NPBT



Note: NPBT swings is partially caused by unrealized forex losses/gain which is derived by marking to market TBLA's USD liabilities each reporting period. Cash flow wise majority of TBLA sales are made in USD which insulate the Company from actual forex losses.

Financial Ratios

Strengths Through Integration

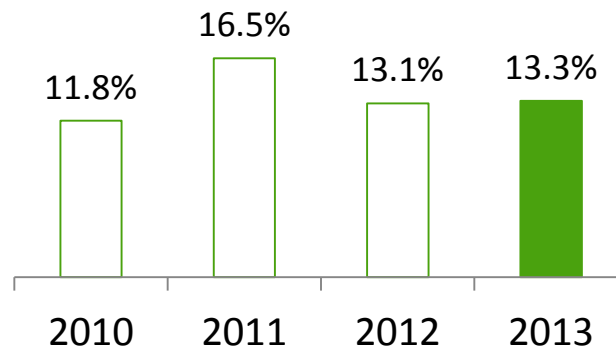


Annual

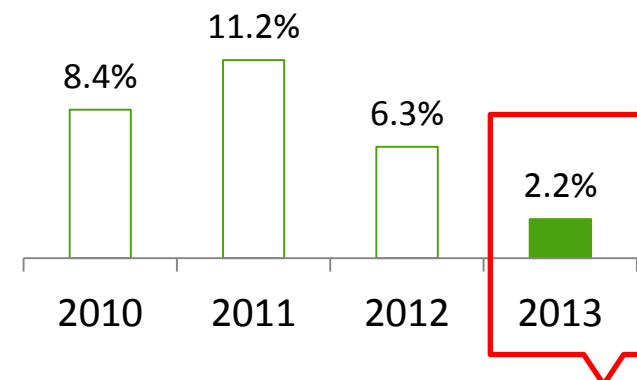
Gross profit margin



Op. Profit margin

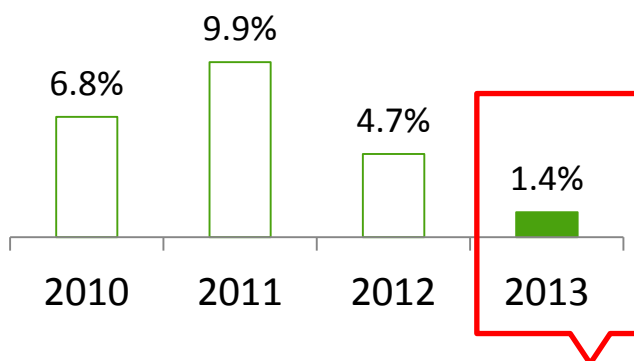


NPAT margin

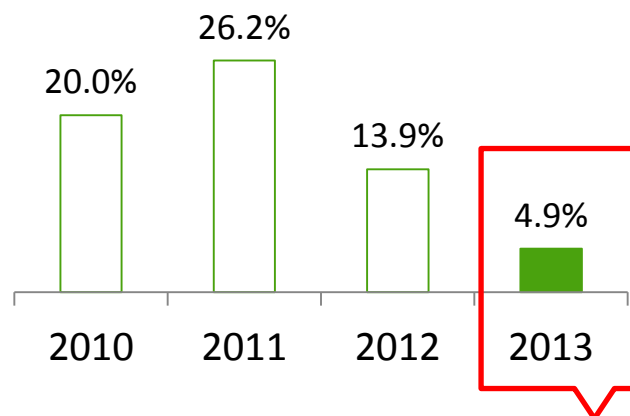


NOTE: NPAT margin went down in FY2013 on the back of unrealized forex losses of **Rp249.9bn** (vs Rp91.4bn in FY2012).

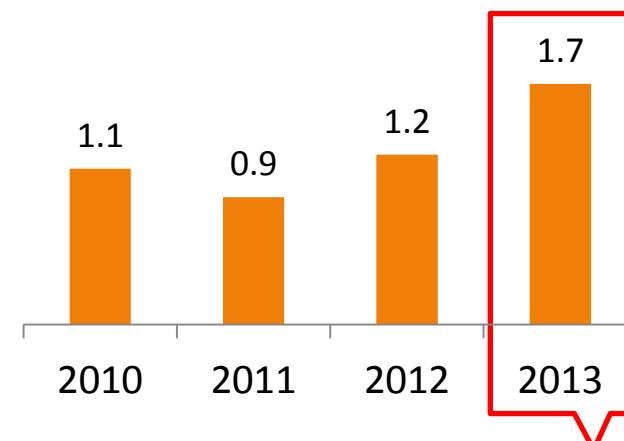
ROA



ROE



DER*



*Debt calculated using interest bearing loans

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

Financial Ratios

Strengths Through Integration

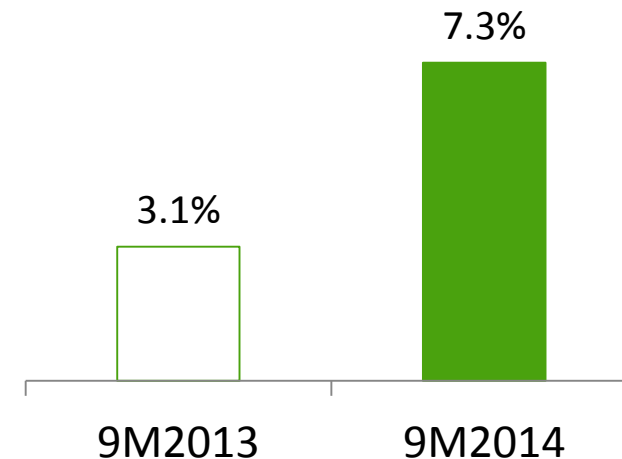
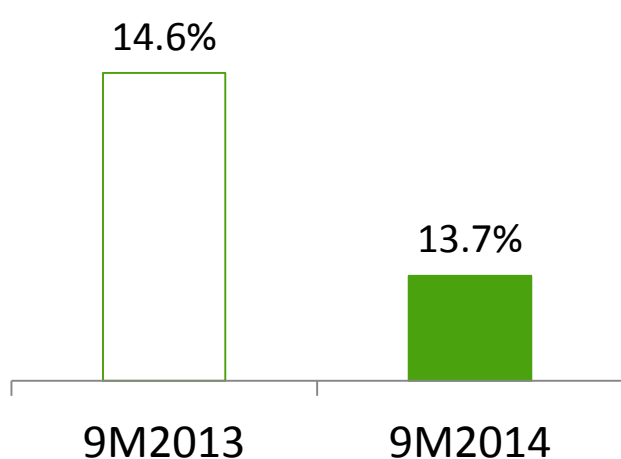
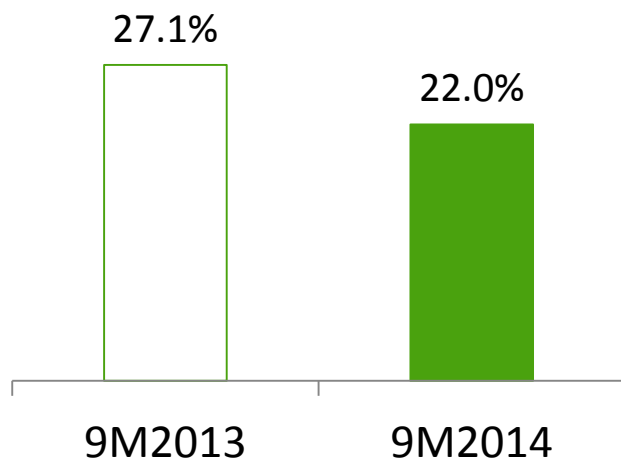


9M2014

Gross Margin

Operating Margin

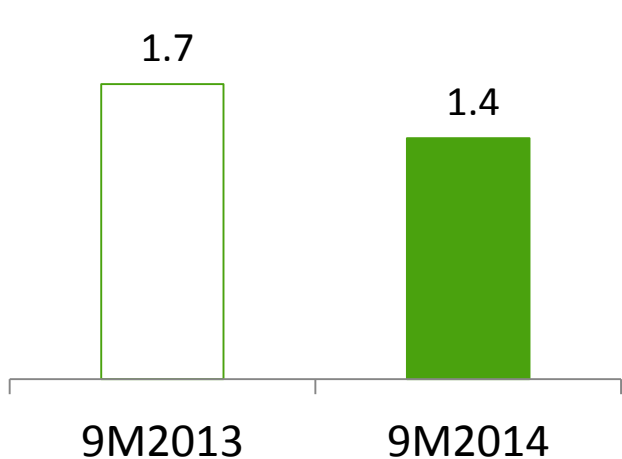
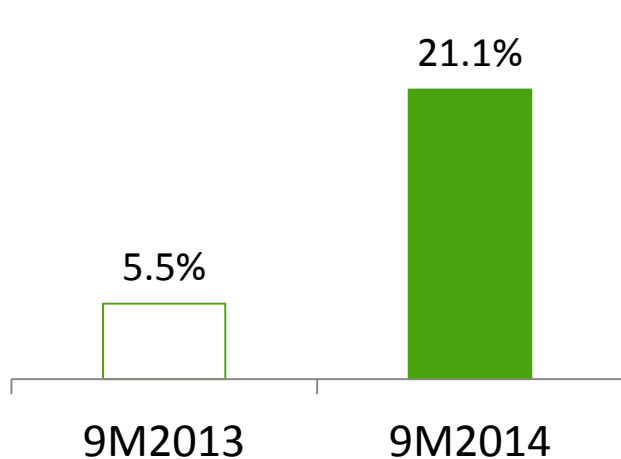
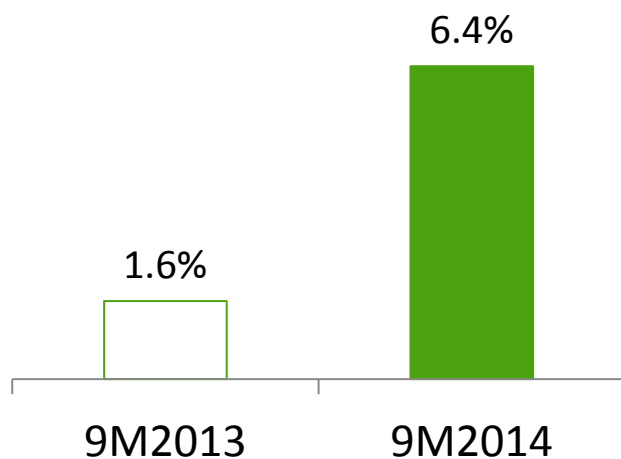
NPAT Margin



Return On Asset (ROA)¹⁰

Return On Equity (ROE)¹⁰

Debt/Equity Ratio



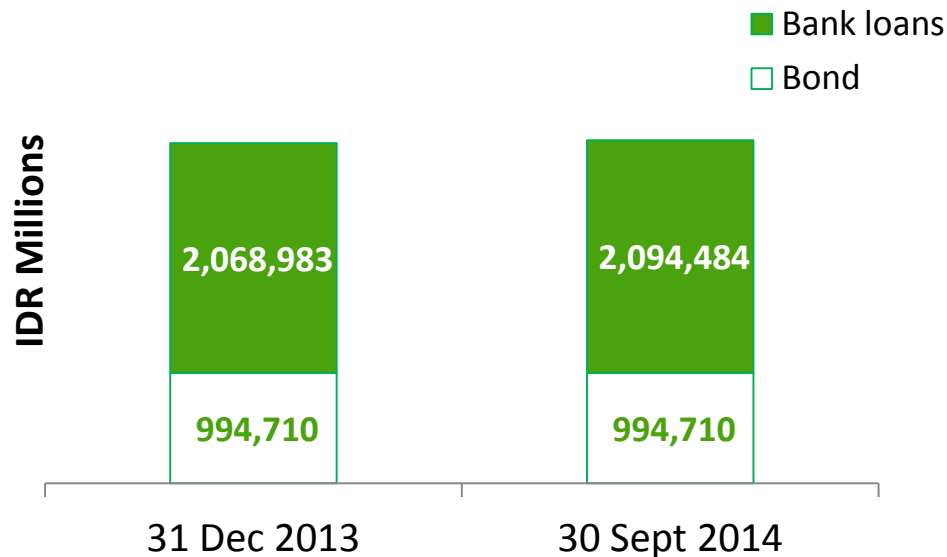
¹⁰Annualized

Financial Summary



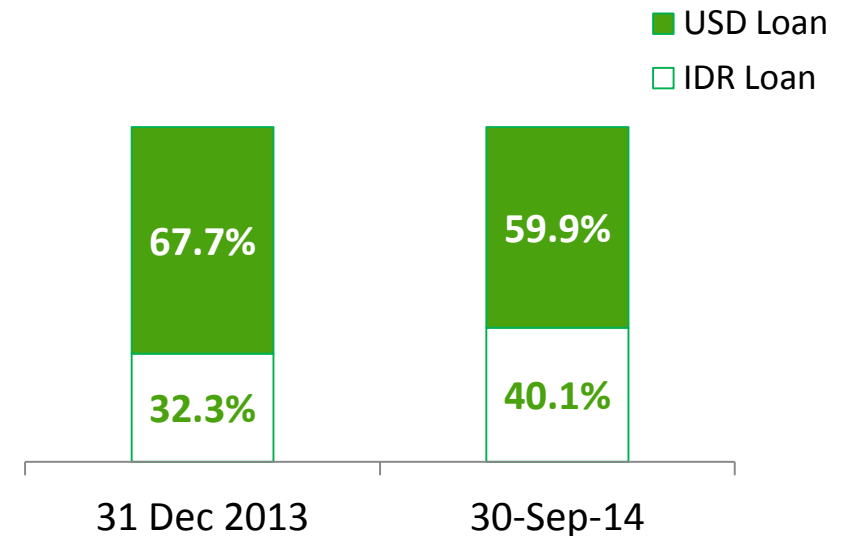
Balance Sheet Highlights – 9M2014

Debt Proportions



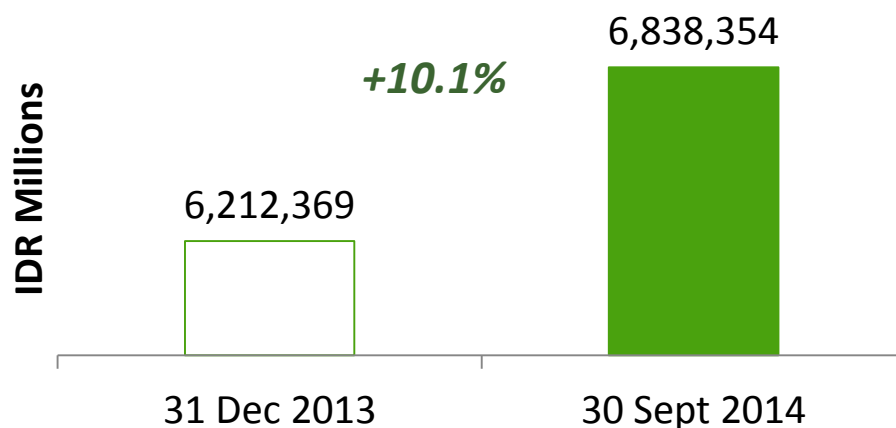
Note: TBLA Corporate Bond II issued in June 2012, with nominal value of IDR 1 Trillion, fixed rate of 10.5%, 5 years tenor maturing in July 2017. It is rated *id* A (Single A) by Pefindo.

Bank Loan Currency Profile

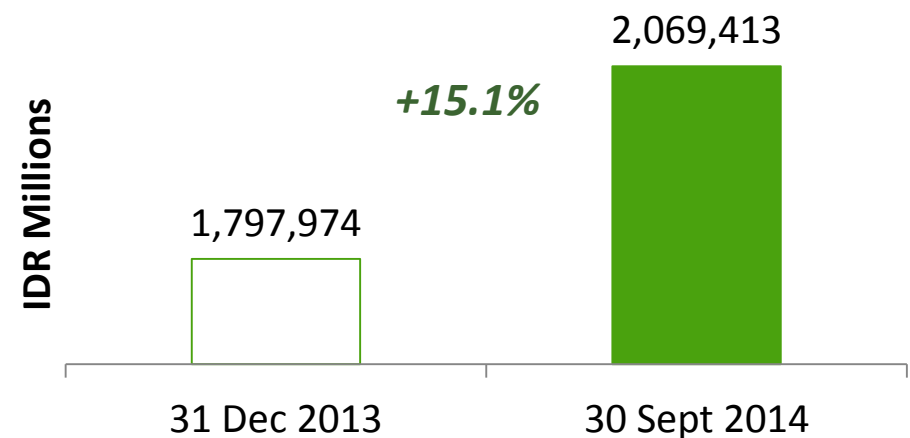


Note: TBLA's gearing profile is at 1.4 in 3Q2014. In November 2014 the Company's Extraordinary Shareholder General Meeting approved the issuance of new shares amounting to Rp286bn through a non-preemptive rights mechanism. The proceed shall be used to strengthen TBLA's capital structure.

Total Asset



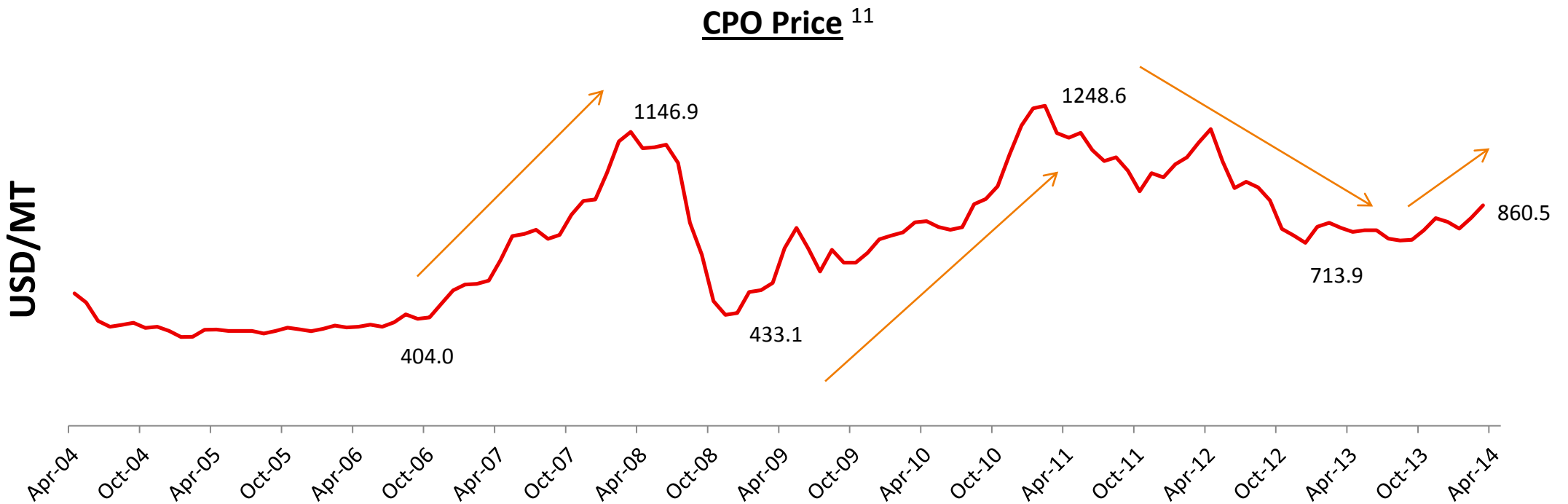
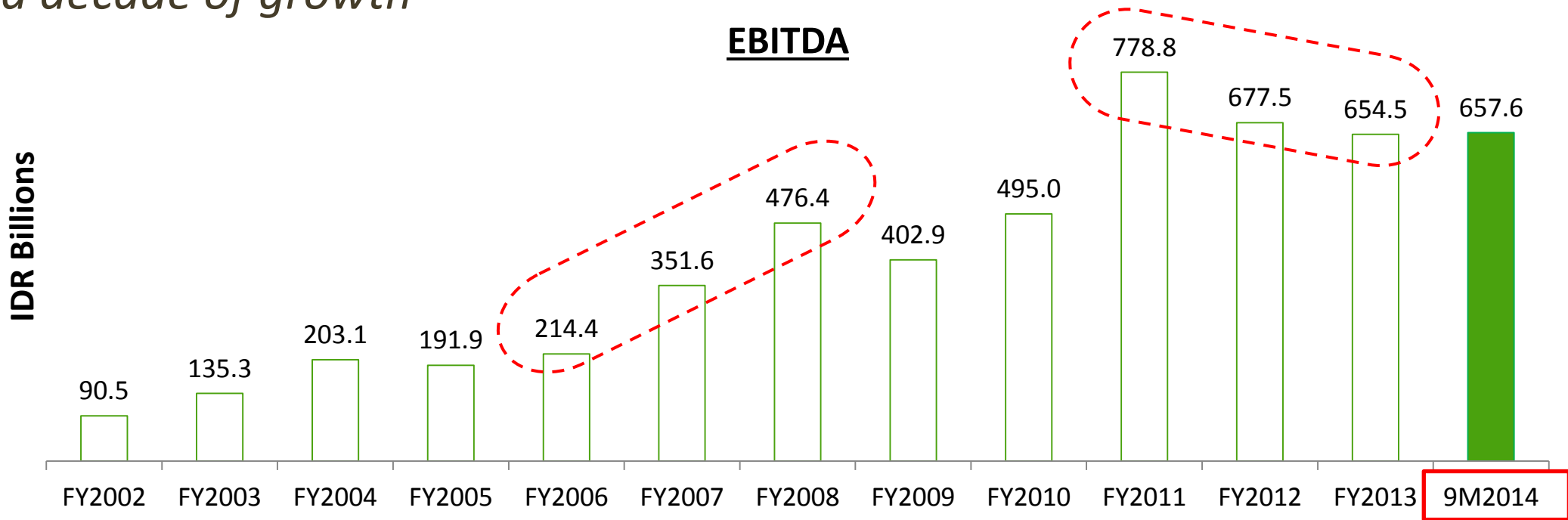
Total Equity



Growth Profile

a decade of growth

Strengths Through Integration



¹¹ source: www.indexmudi.com



Expansion Plan

1. PLANTATION GROWTH

Management is implementing 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 the Company's old oil palm estate, that is due for replanting in Lampung into sugar cane plantation.

a. Oil Palm

TBLA targets growth of \pm **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 \pm **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 higher yield (90 MT – 120MT per Ha) with good extraction rate (est 10%, depending on mill efficiency);*
- ✓ *Surrounded by sugar mills, as Lampung is the top 2 sugar producing provinces of Indonesia (other than East Java) – while the sugar mill is being constructed, sugar cane harvest can be sold to surrounding mills;*
- ✓ *Strategically located at the tip between Sumatera and Java, Indonesia's biggest markets 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.

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** in Lampung by 2016 (inc plasma).
- At present TBLA already own and operate a sugar refinery in Lampung with **216,000 MT** annual capacity

Contact Us

Strengths Through Integration



For more information please contact our Head of Investor Relation :

Eric Tirtana

Mobile : (+62) 858 8024 2328

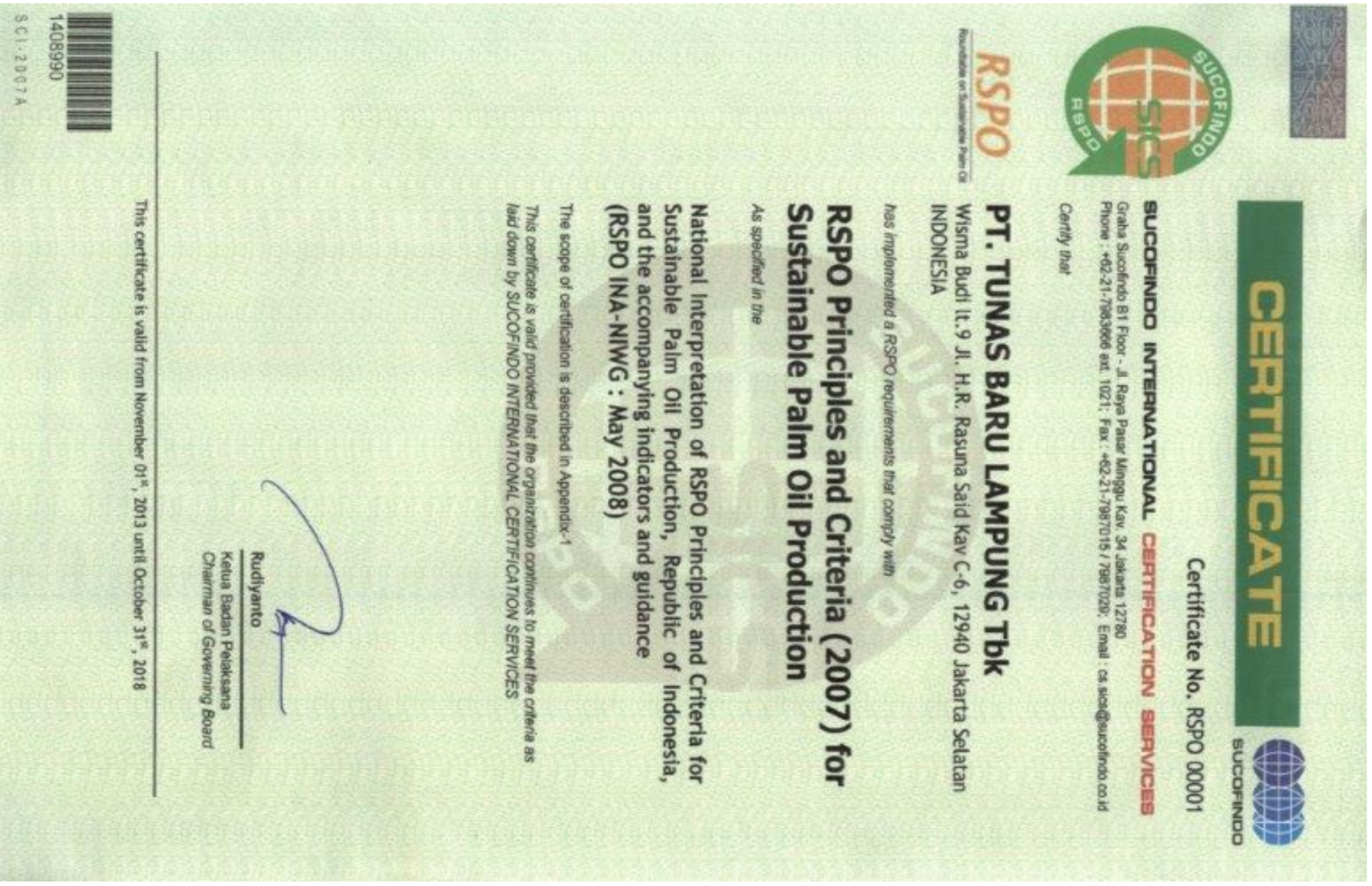
Email : eric.tirtana@sungaibudi.com

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 Pasar Minggu Kav. 34 Jakarta 12780
Phone : +62-21-7983666 ext. 1021; Fax : +62-21-7987015 / 7987020; Email : cs.succo@succofindo.co.id

RSPO

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

SCL-2007A