



PT. TUNAS BARU LAMPUNG TBK (IDX: TBLA)

*Investor Presentation
September 2015*

a member of Sungai Budi Group



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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

2014: EBITDA broke Rp1trillion mark, all time high.

2015: Building biodiesel plant & sugar mill (8000tcd).

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

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

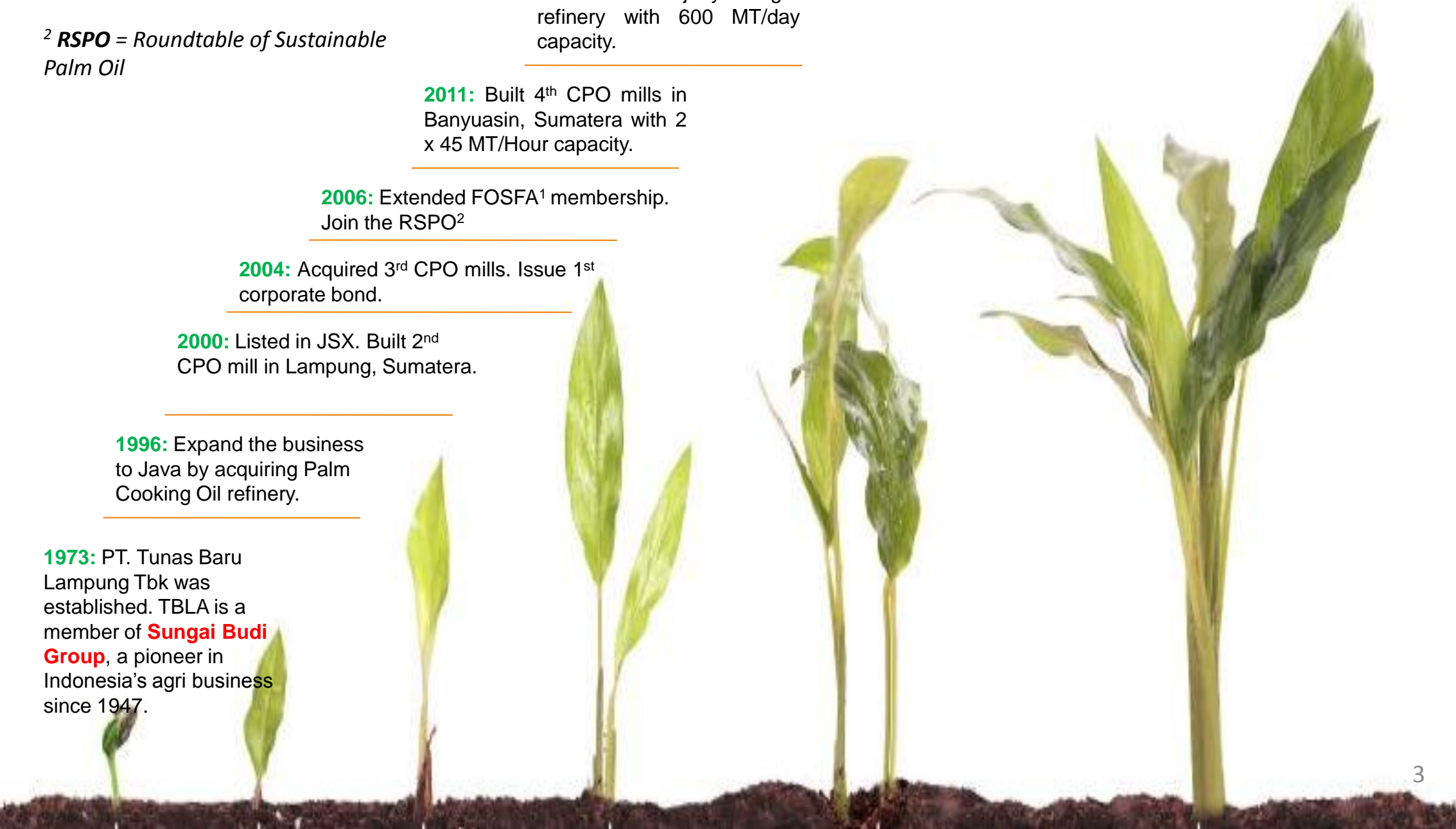
2006: Extended FOSFA¹ membership. Join the RSPO²

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

2000: Listed in JSX. Built 2nd CPO mill in Lampung, 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.

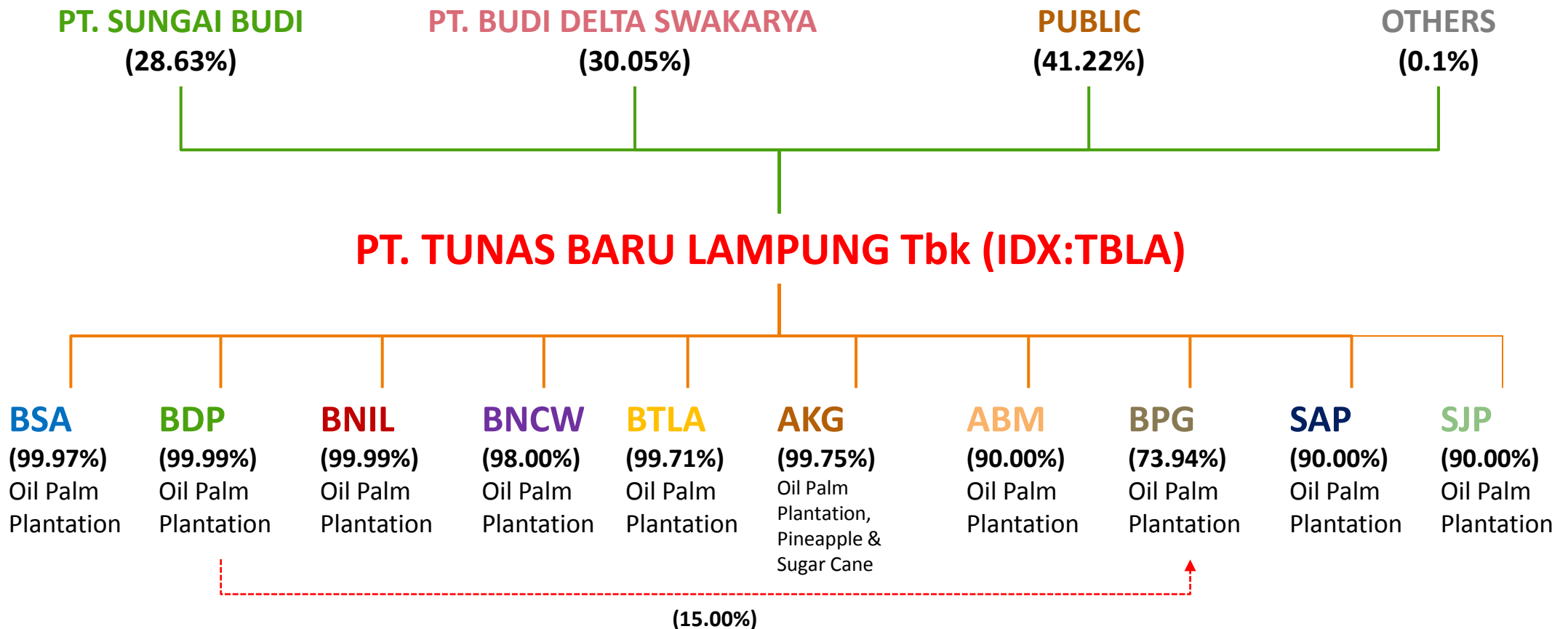


Company Structure

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

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. 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.

G. 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.

H. 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 Sept 2015

PALEMBANG⁴

Total Area : 15,800 Ha
Planted : 13,111 Ha
Mature : 10,122Ha

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

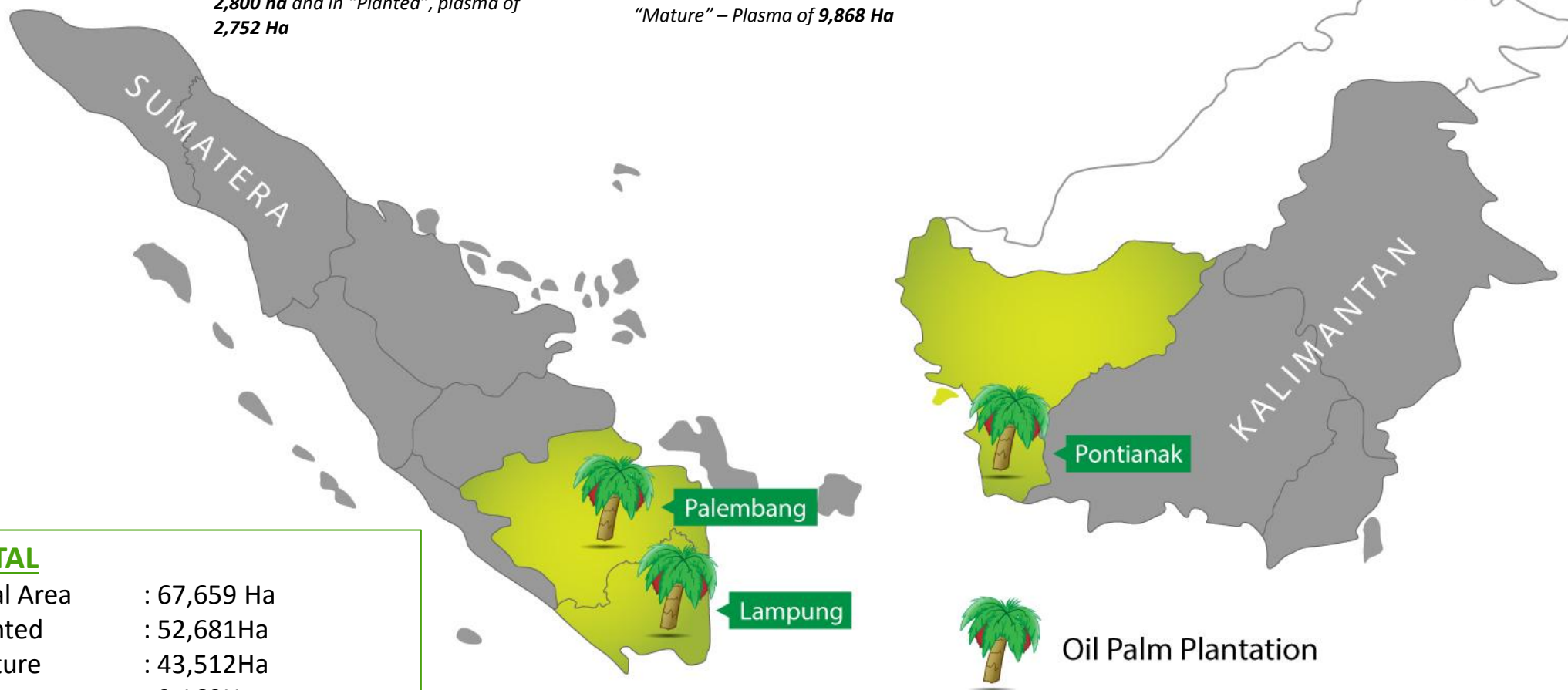
LAMPUNG³

Total Area : 38,359 Ha
Planted : 33,525Ha
Mature : 29,952Ha

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

PONTIANAK

Total Area : 13,500 Ha
Planted : 6,045Ha
Mature : 3,438 Ha



TOTAL

Total Area : 67,659 Ha
Planted : 52,681Ha
Mature : 43,512Ha
Immature : 9,169Ha

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

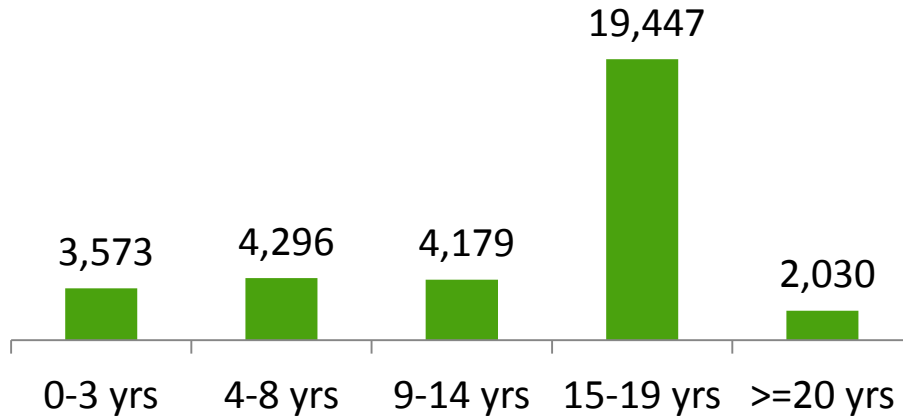
Oil Palm Plantation Profile

Hectares - 30 Sept 2015

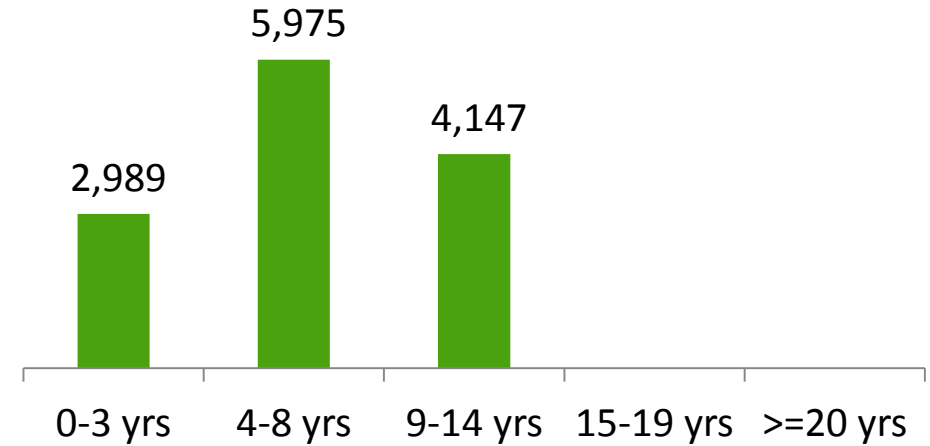
Strengths Through Integration



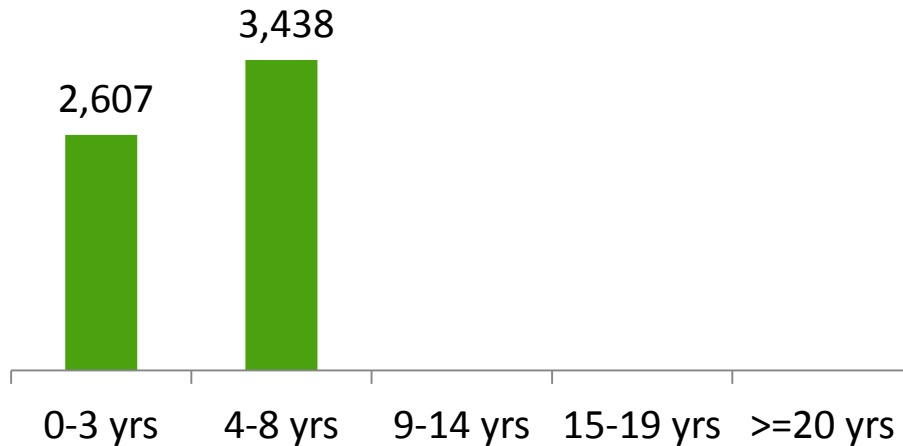
Lampung



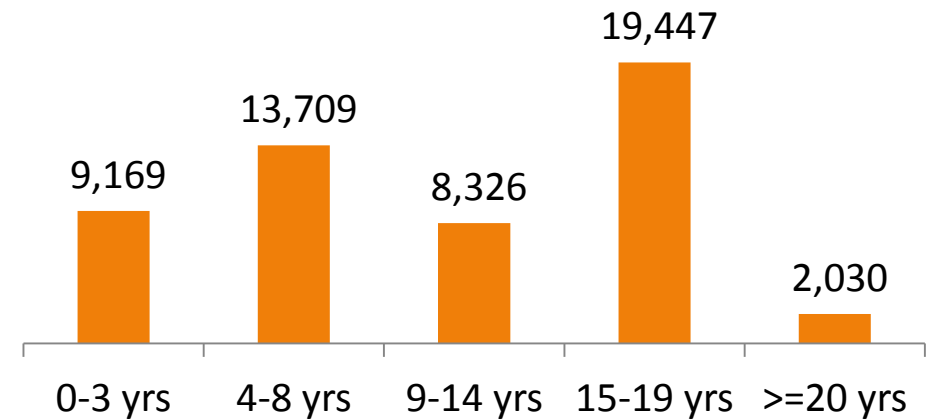
Palembang



Pontianak



Consolidated



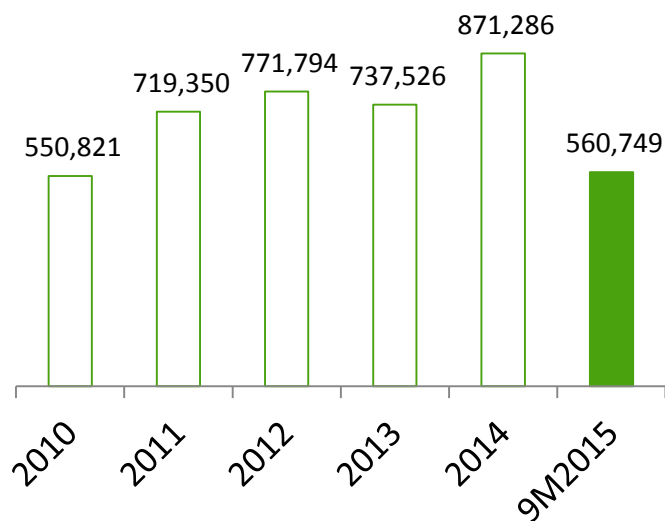
Oil Palm Production Highlights

9M2015

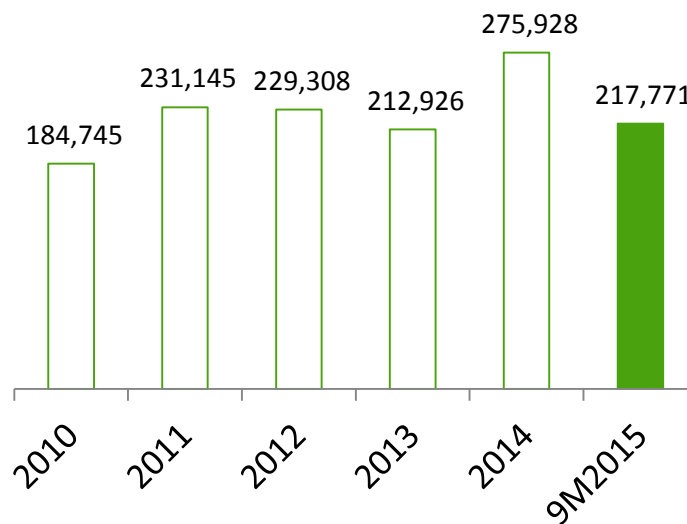
Strengths Through Integration



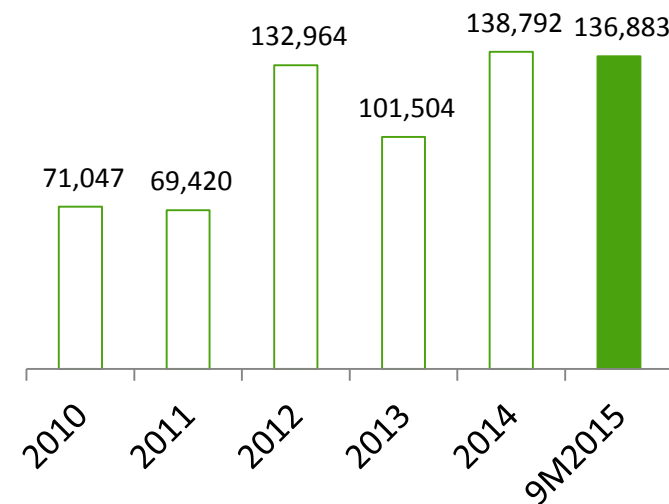
FFB harvested (Ton)



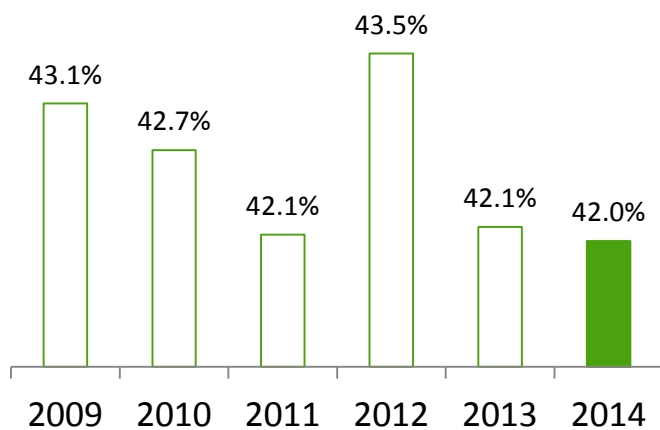
CPO (Ton)



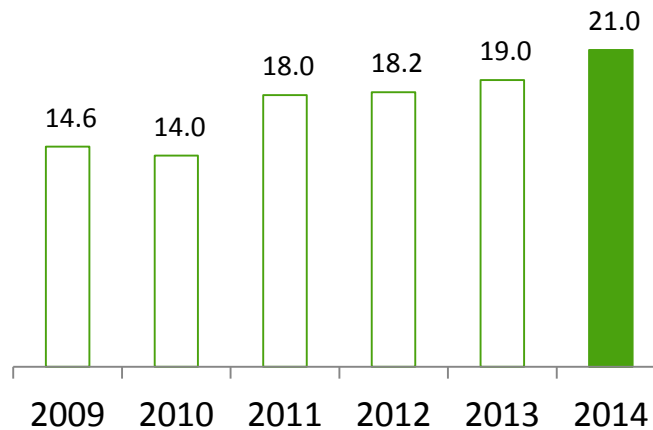
Palm Cooking Oil (Ton)



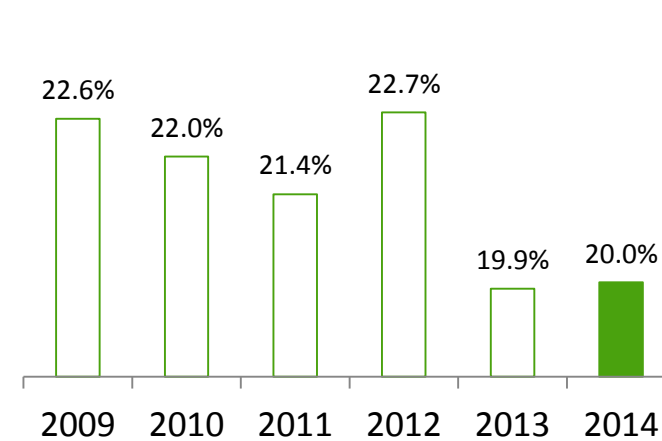
KER



FFB Yield (MT/Ha)



OER



Oil Palm Production Facilities

Strengths Through Integration



¹ exp completion 4Q2015

² exp completion 2Q2016

CPO Mills

Location	MT/annum	MT/hour
Lampung	900,000	180
Palembang	225,000	45
Bengkulu ¹	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 1	210,000	700
Lampung 2	300,000	1,000
Palembang	390,000	1,300
East Java	60,000	200
East Java (UC) ²	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

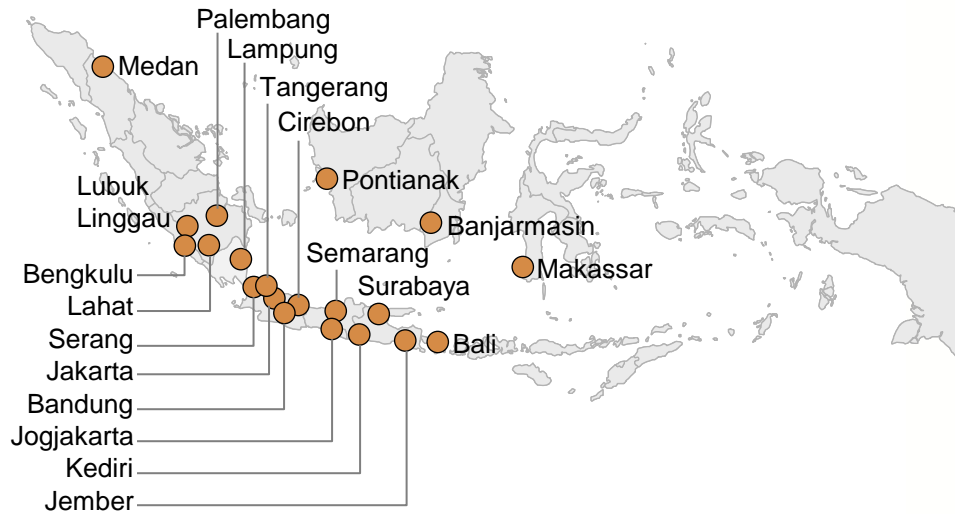
Oil Palm Consumer Products

Strengths Through Integration



Rose Brand

Strong brand with solid distribution network



Our branded cooking oil products **Rose Brand** and **Tawon** cover medium to lower market segments, the largest market pool in the country.

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.



Indonesia's Sugar Industry

Quick Illustration

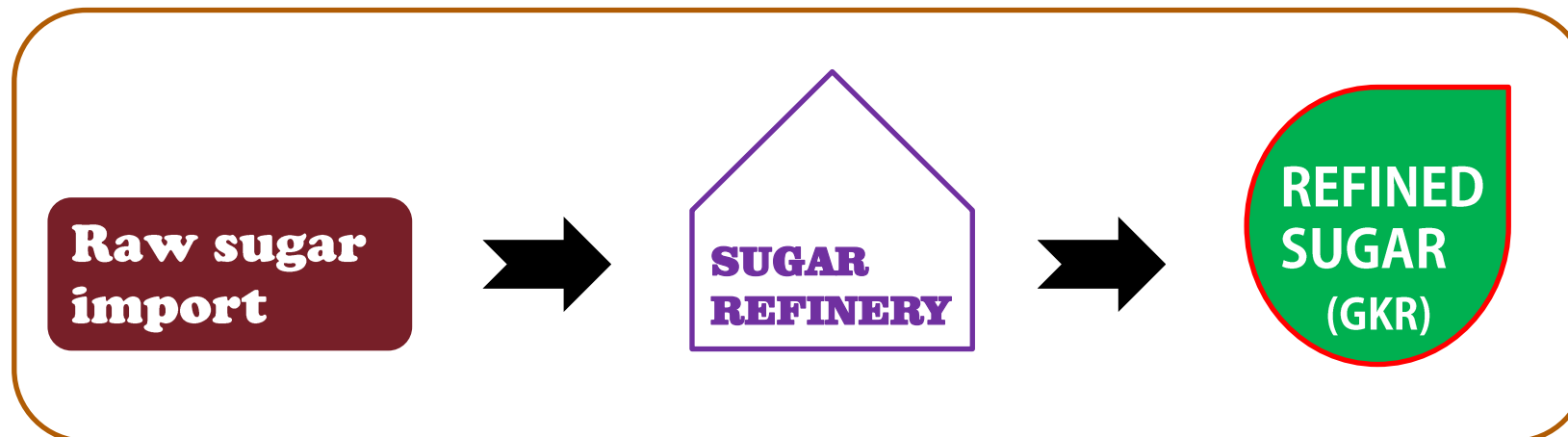
Strengths Through Integration



RETAIL MARKET



INDUSTRIAL MARKET

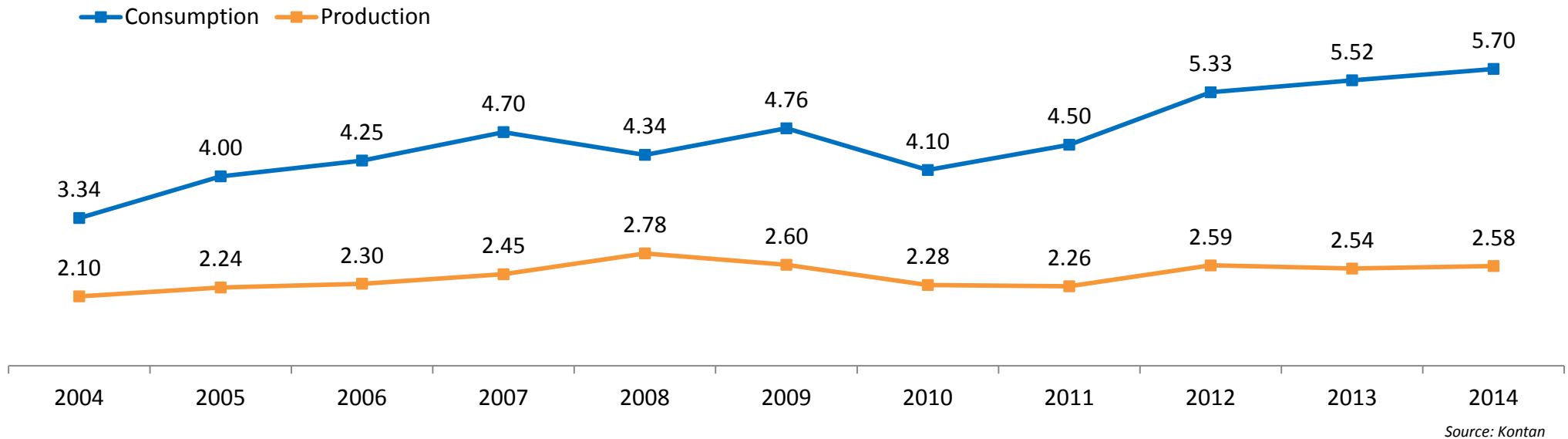


Since domestic sugar production is barely enough to meet retail market's demand, most of the refined sugar (for industrial usage) used in Indonesia came from imported raw sugar, which import supply is governed by the trade ministry through a quota mechanism.

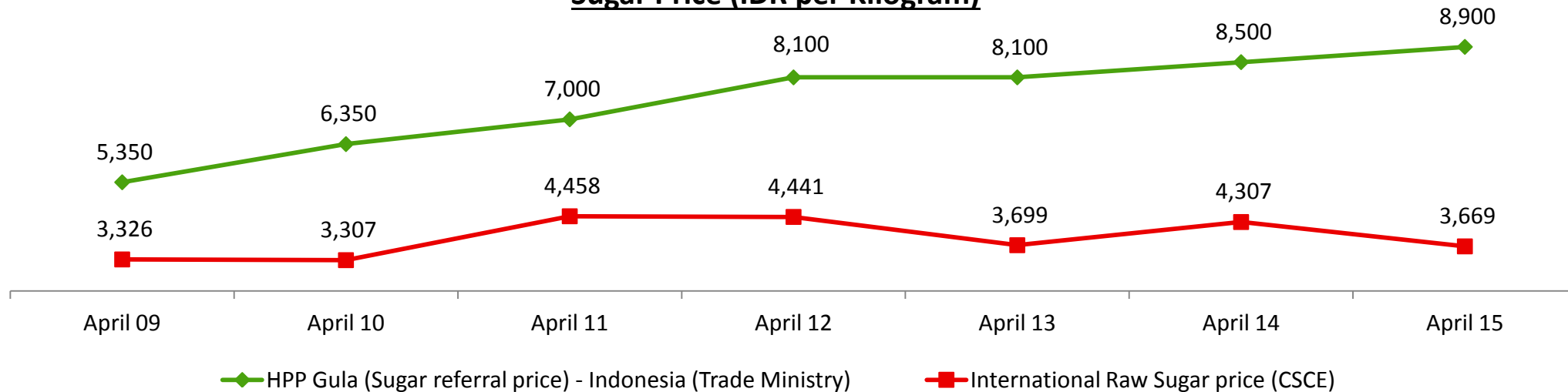
Sugar – Industry Dynamics



Indonesia's Sugar Demand & Supply (Million Mt)



Sugar Price (IDR per Kilogram)



Note:

- Indonesia's floor price for sugar is set by the Ministry of Trade before the start of the milling season in April of each year.
- Raw sugar price as quoted on the New York Coffee, Sugar and Cocoa Exchange (CSCE).
- For illustration purposes, Price for International raw and refined sugar were converted from USD/Pound to 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 = Rp9,500; April 2014 = Rp11,100, April 2015 = Rp12,900

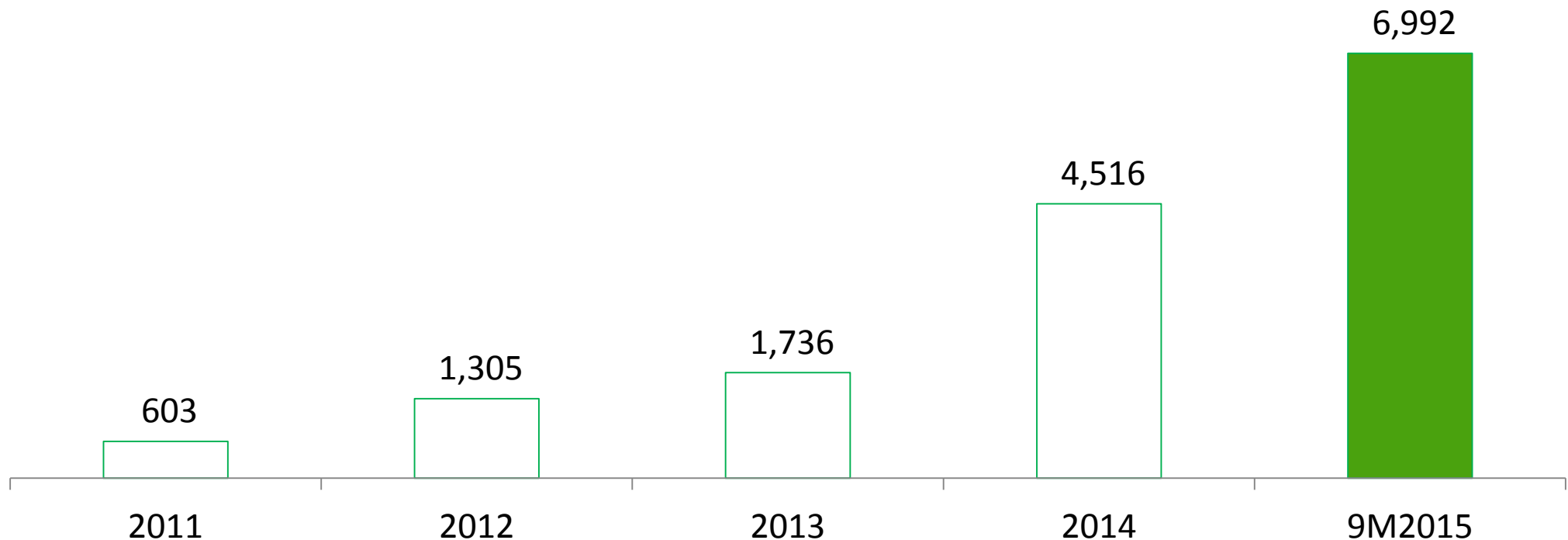
Sugar Cane Plantation

Accelerated Growth

Strengths Through Integration



Sugar Cane (ha)



Note:

- Planted plasma at group level is around 2,000 ha per 9M2015.
- TBLA targeting sugarcane planting of around **3,500ha per annum** to get up to **12,000 ha – 15,000 ha** by the end of 2017

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**.



Image: Sugar Refinery – Top View



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, land being reconditioned



Image 3 & 4: Reconditioned land is planted with sugar cane, with annual harvest cycle



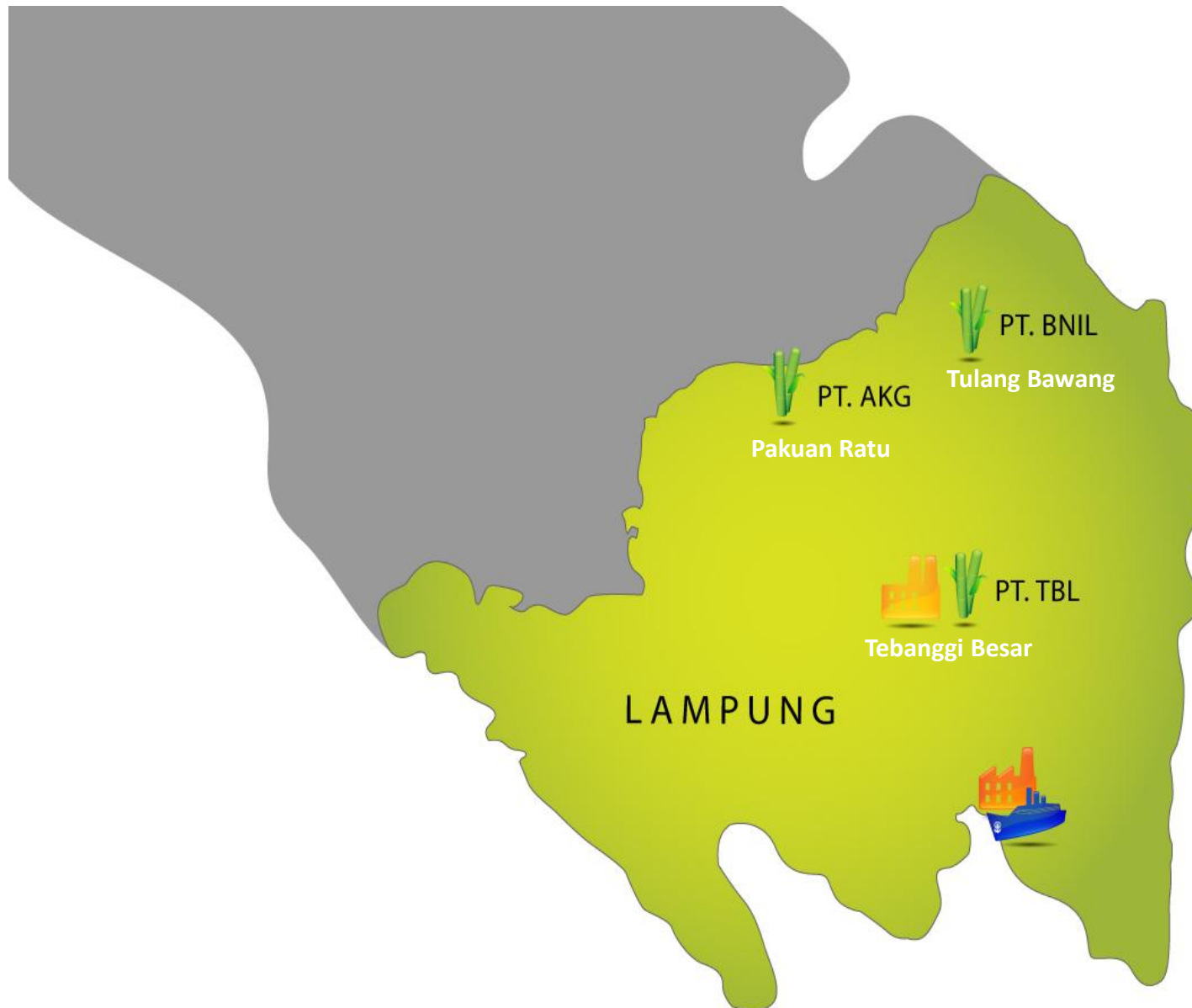
Integrated Sugar Production

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.

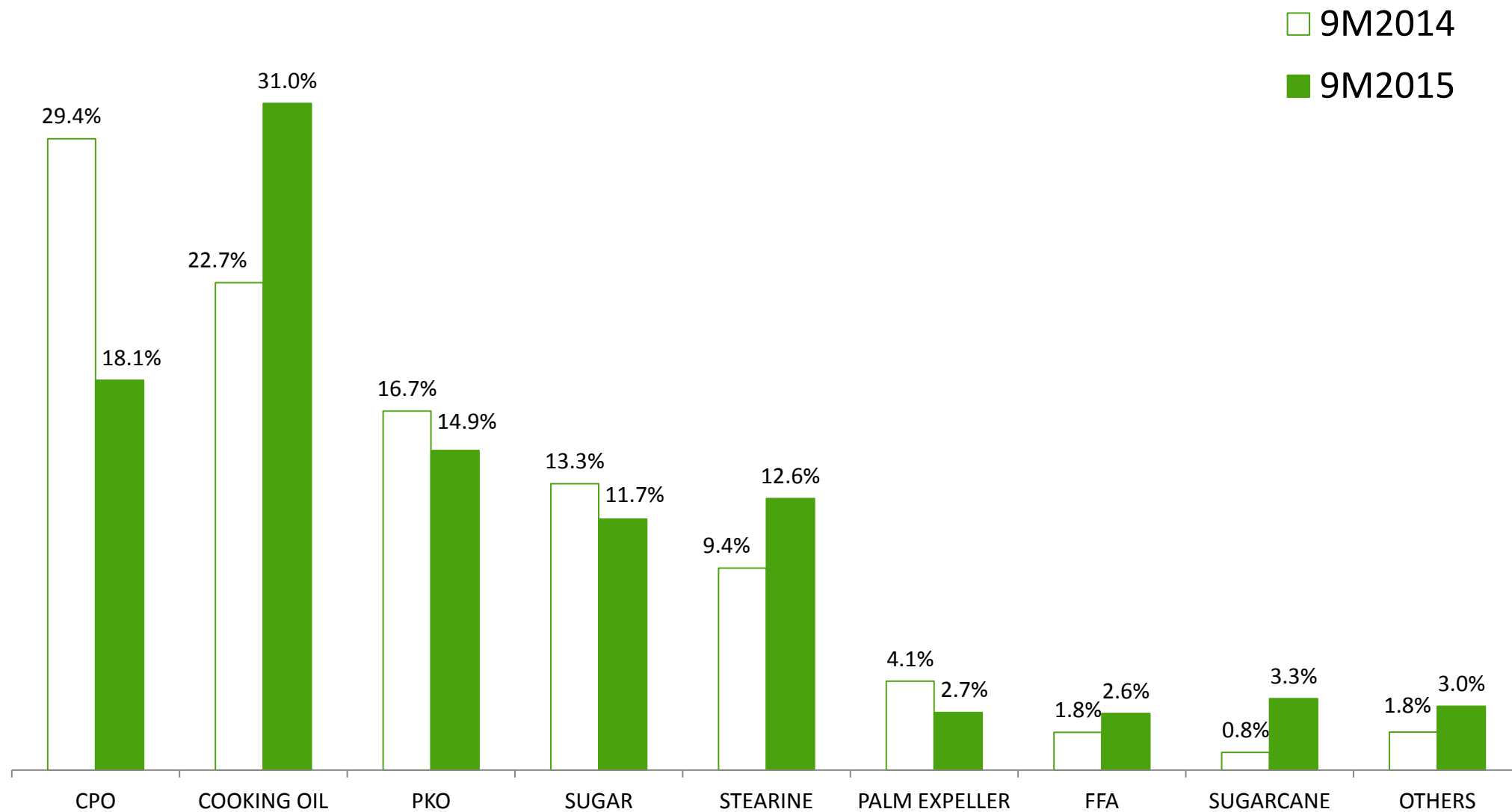
TBLA processing plant in Lampung is supported with own coal fired power plants: 2 X 6 MW and 1 X 4 MW.

Product Contribution



PRODUCT CONTRIBUTION

NOTE: Nominal contribution as percentage to total revenue



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

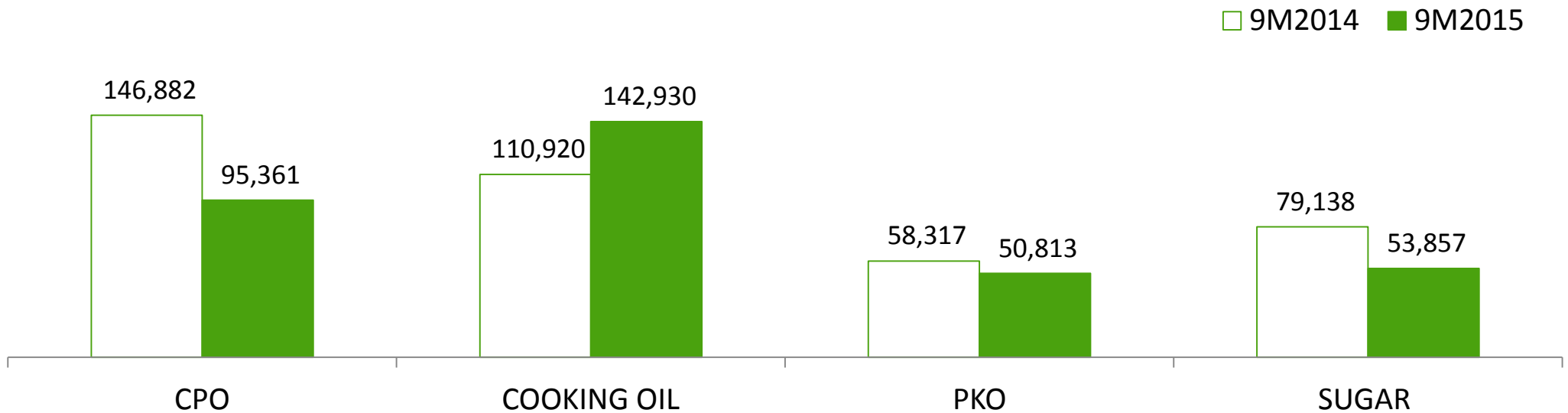
Sales Volume & ASP

Strengths Through Integration

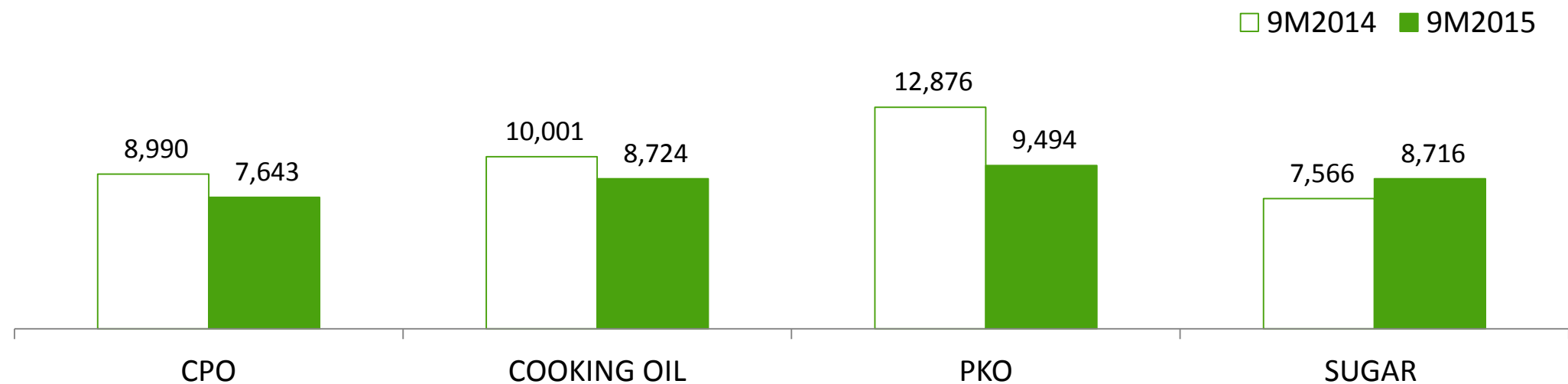


Main products – 9M2015

SALES VOLUME (TON)



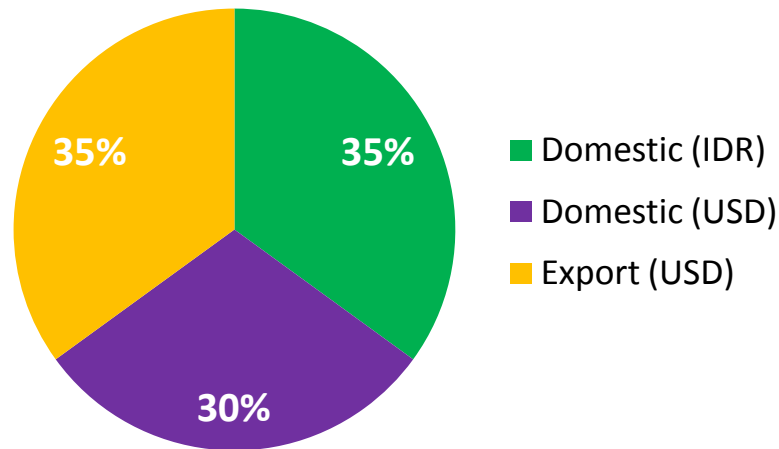
ASP (IDR/KG)



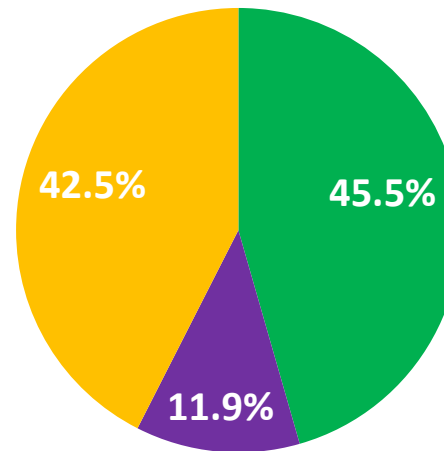
Sales Currency Composition



FY2014



9M2015

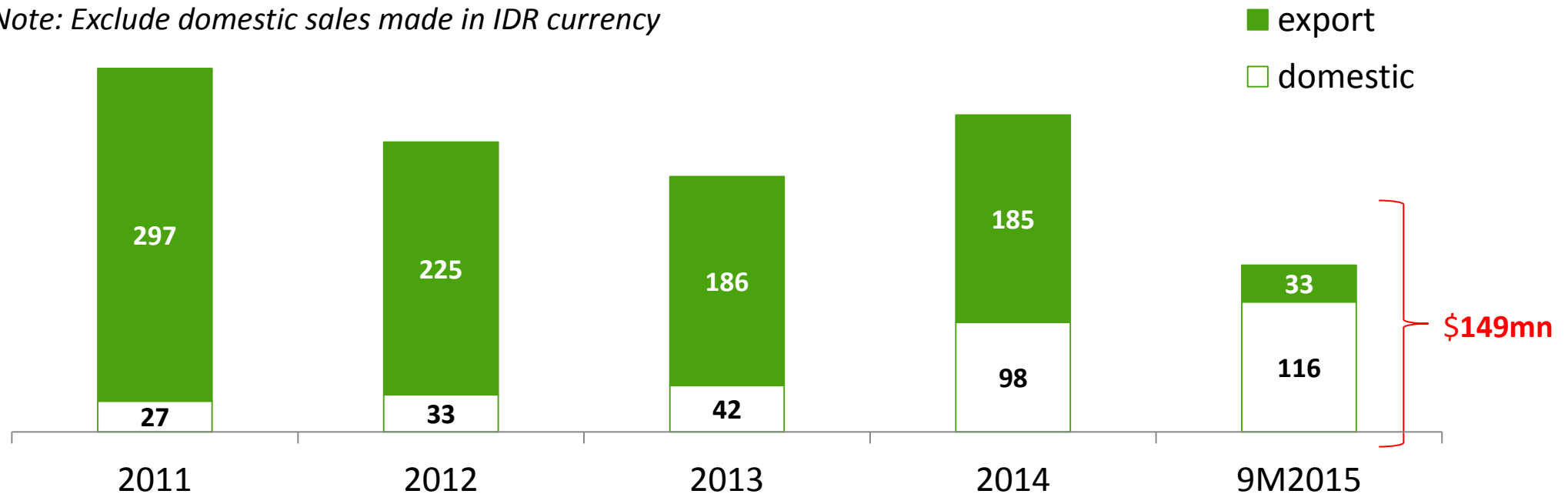


Domestic (USD) refers to product sold domestically, with payment denominated in USD or USD linked.

With recent government regulation enforcing domestic IDR transaction, domestic (USD) portion went lower. Overall USD proportion went lower from 65.0% in FY2014 to 54.4% in 9M2015.

Sales made in USD ('millions)

Note: Exclude domestic sales made in IDR currency



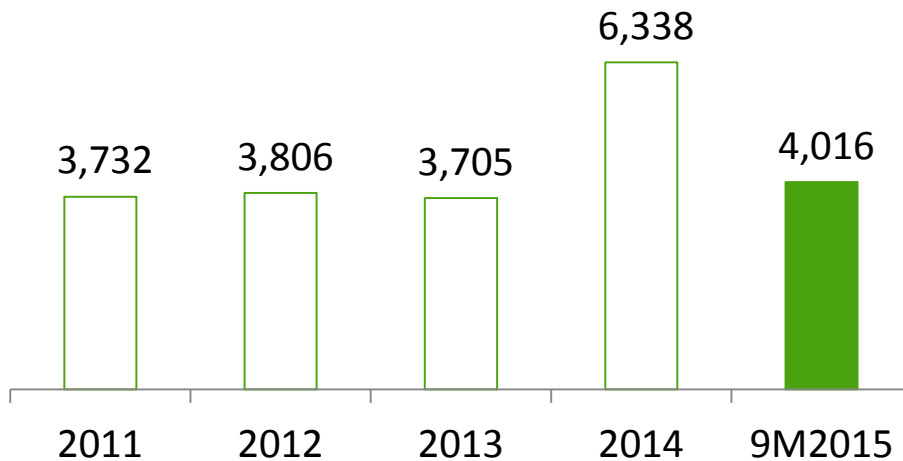
Financial Summary – 9M2015

Strengths Through Integration

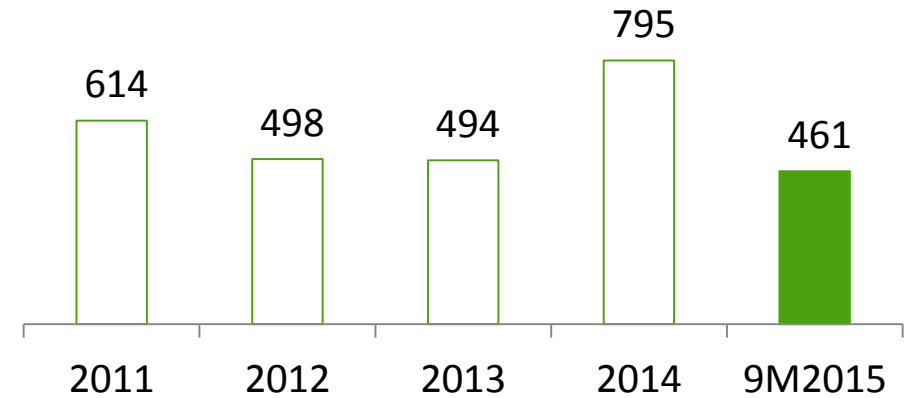


P&L (Figures in IDR millions)

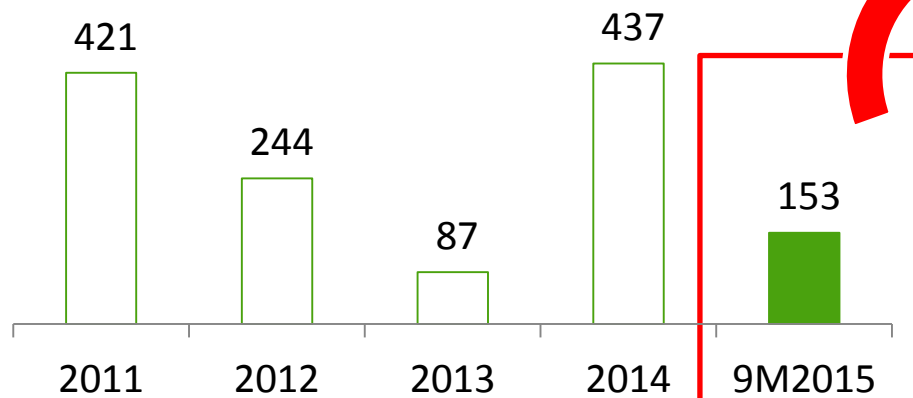
Revenue



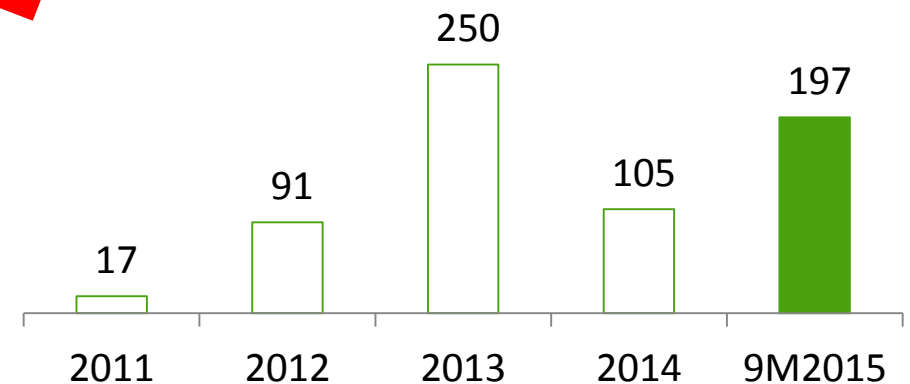
Operating Profit



NPAT



Unrealized forex loss



*TBLA booked unrealized forex loss of **Rp197bn** as IDR depreciated from **RP12,440** at the start of the year to **Rp14,657** by the end of September 2015. This non-cash item effectively affects NPAT

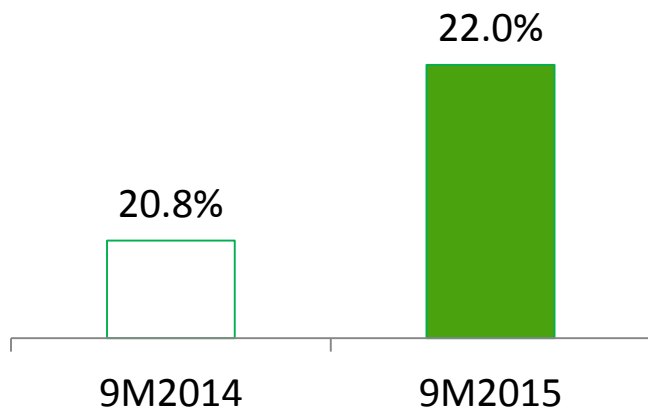
Financial Ratios

Strengths Through Integration

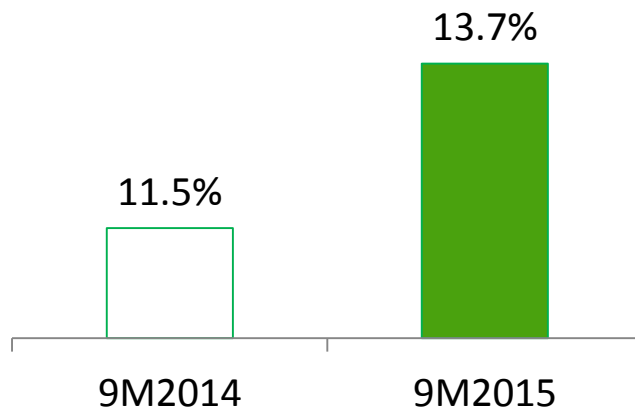


9M2015

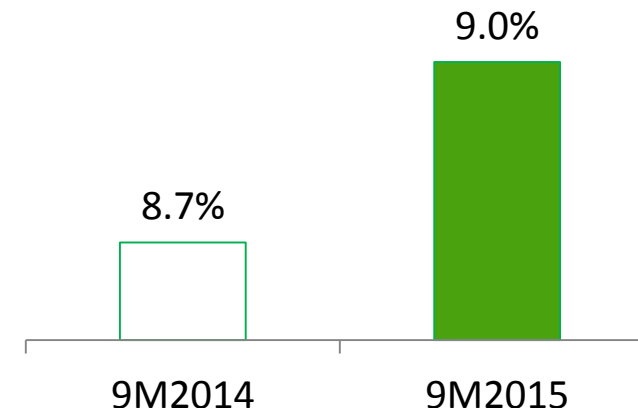
Gross profit margin



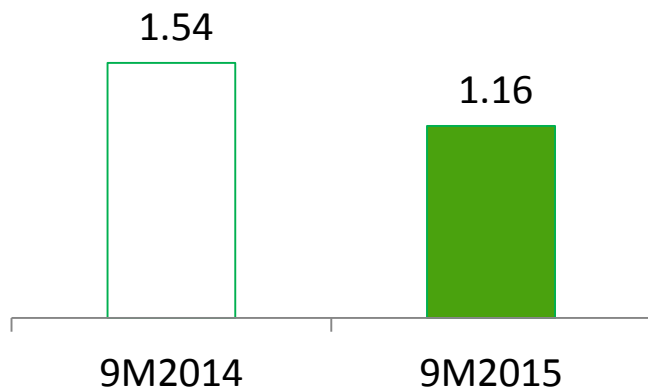
Operating Profit margin



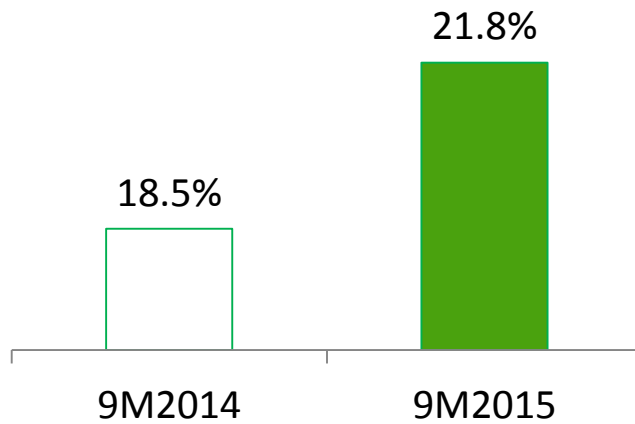
Normalized NPAT margin



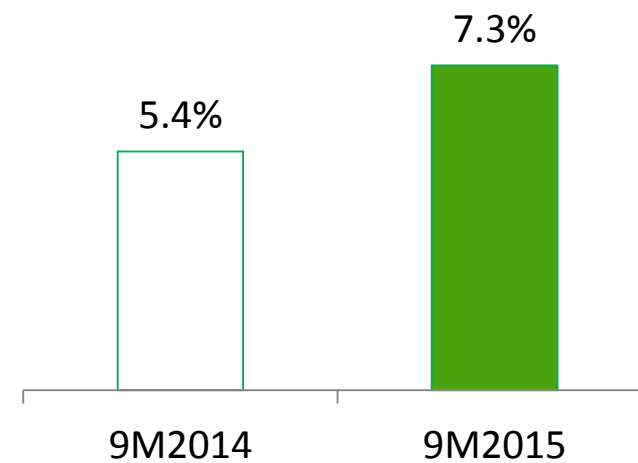
Net Debt/Equity



Normalized ROE



Normalized ROA



NOTE: Net earnings normalized for unrealized forex losses

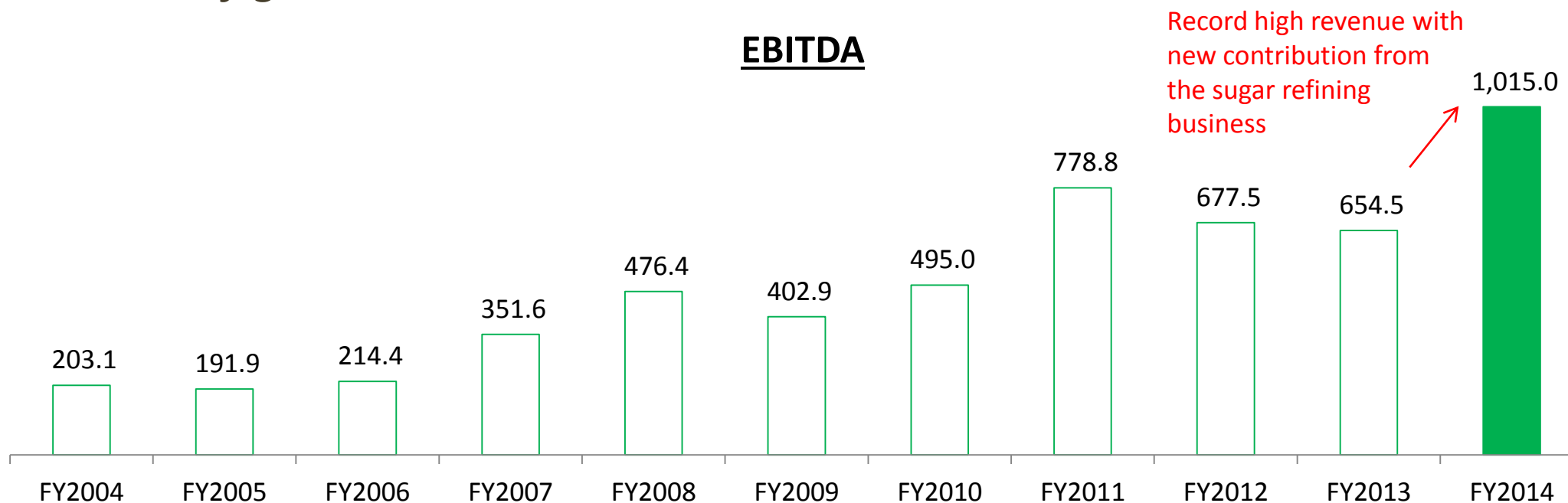
Growth Profile

a decade of growth

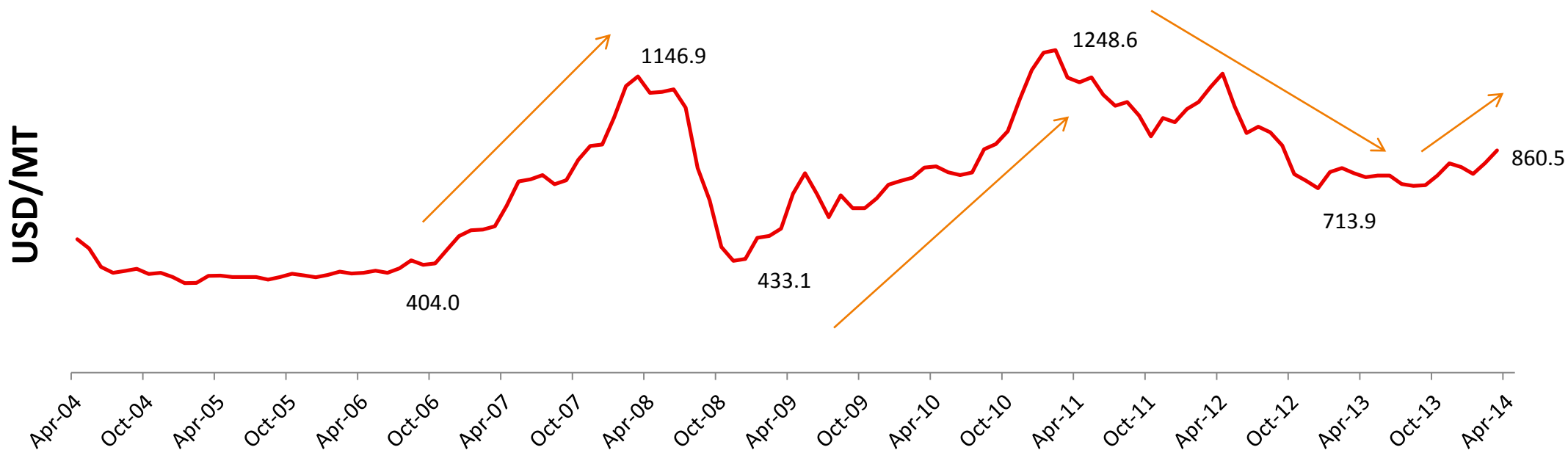
Strengths Through Integration



EBITDA



CPO Price¹¹



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 **4Q2015**

b. Palm Cooking Oil refinery

East Java: estimated completion in **2Q2016** 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

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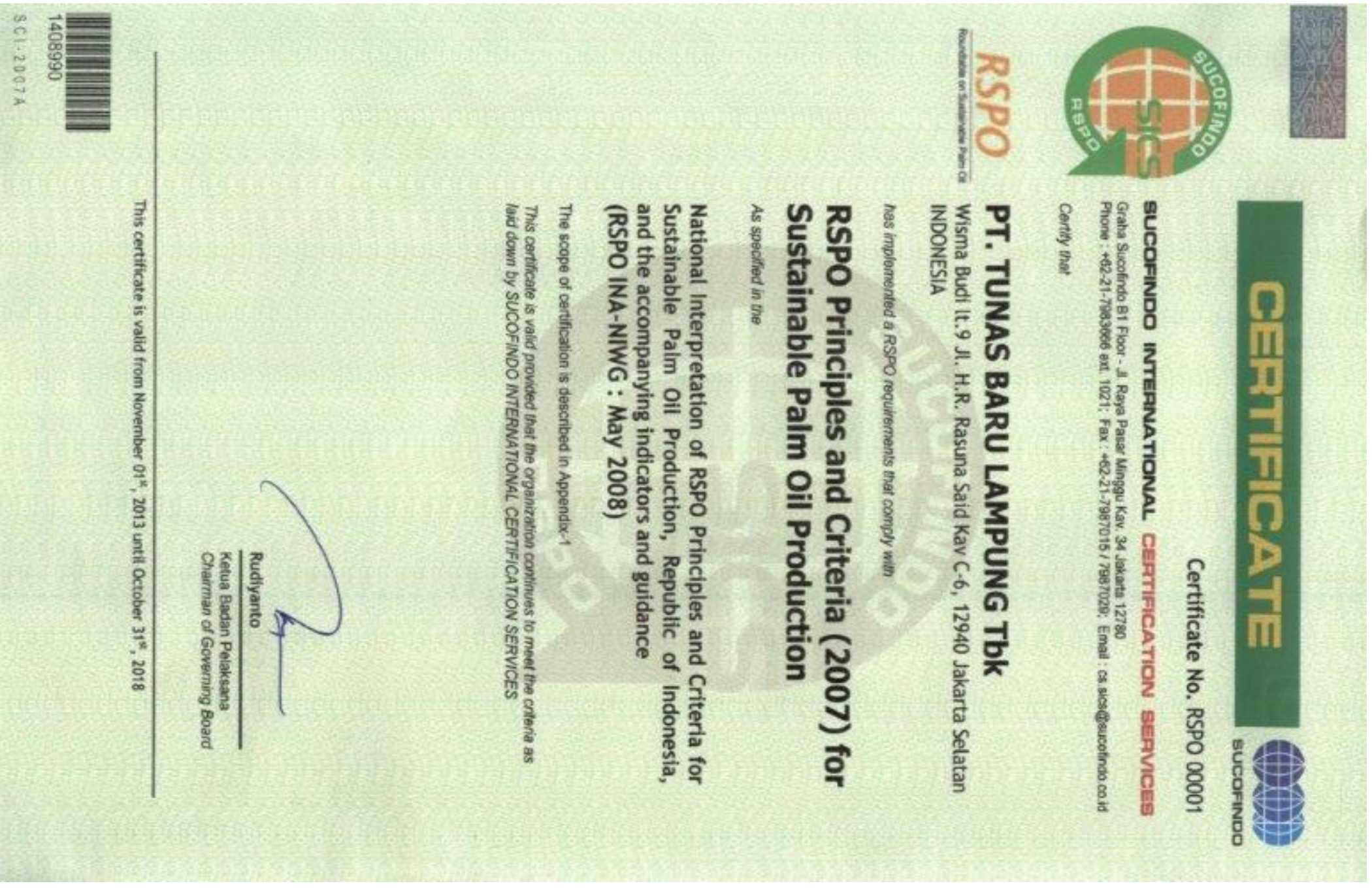
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www.tunasbarulampung.com

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

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

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