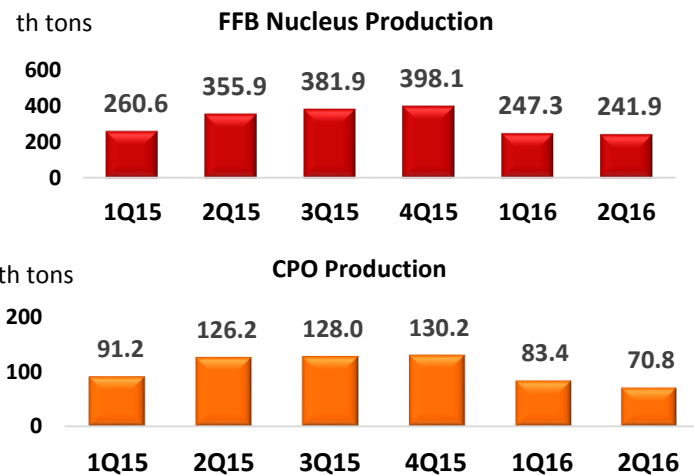


➤ **Operational Highlights (Tinjauan Operasional)**

| Production Volume (tons) | 1H 2015 | 1H 2016 | Δ % |
|--------------------------------------|---------|---------|--------|
| FFB Nucleus | | | |
| TBS Inti | 616,509 | 489,176 | (20.7) |
| FFB Yield - Nucleus (tons/ha) | | | |
| Produktivitas TBS Inti (ton/ha) | 7.8 | 6.0 | |
| FFB Processed | | | |
| TBS yang diproses | 939,123 | 673,171 | (28.3) |
| CPO (Crude Palm Oil) | | | |
| CPO Extraction Rate | 23.2% | 22.9% | |
| CPO Yield - Nucleus (tons/ha) | 1.8 | 1.4 | |
| PK (Palm Kernel) | | | |
| PK Extraction Rate | 5.8% | 6.0% | |
| PK Yield - Nucleus (tons/ha) | 0.5 | 0.4 | |
| Rubber | | | |
| Rubber Yield - Nucleus (tons/ha) | 0.5 | 0.4 | (15.7) |



During 1H 2016, Lonsum experienced a challenging environment especially post El Nino effect which occurred last year. The FFB production was blemished by weaker output across all area due to the El Nino impact. This period, Lonsum's nucleus FFB production declined by 20.7% to 489,176 tons from 616,509 tons in 2015.

Pada 1H 2016, Lonsum harus menghadapi kondisi yang menantang terutama setelah peristiwa El Nino yang terjadi pada tahun lalu. Produksi TBS inti di seluruh area perkebunan lebih rendah dikarenakan efek El-Nino. Periode ini produksi TBS inti turun 20,7% menjadi 489.176 ton dari 616.509 ton pada tahun 2015.

Due to lower production of FFB nucleus and external, Lonsum's FFB processed also declined by 28.3% to 673,171 tons from 939,123 tons compared to 1H 2015. As a result, CPO production also decreased by 29.1% to 154,197 tons compared to 217,475 tons in 1H 2015. Despite a weaker output, Lonsum OER remained stable at 22.9% and PK extraction rate slightly increased to 6.0% from 5.8% in 1H 2015. Lonsum's rubber production declined by 15.7% to 5,358 tons from 6,355 tons in the same period last year.

Akibat dari rendahnya produksi TBS inti dan eksternal, TBS yang diproses juga menurun sekitar 28,3% menjadi 673.171 ton dari 939.123 ton dibandingkan dengan 1H 2015. Sehingga, produksi CPO juga menurun 29,1% menjadi 154.197 ton dibandingkan 217.475 ton pada 1H 2015. Walaupun mengalami penurunan produksi, OER lonsum masih stabil berada pada 22,9% dan KER meningkat menjadi 6,0% dari 5,8% pada 1H 2015. Produksi karet Lonsum menurun 15,7% menjadi 5.358 ton dari 6.355 ton pada periode yang sama di tahun lalu.

➤ **Hectare Statement (Pernyataan Hektar)**

Total planted area as of June 2016 was 114,206 ha of which 82% was planted with oil palm, 15% with rubber, and the remaining 3% was others. During the period, there were 3,128 ha of oil palm immature area movement to mature area which bring total oil palm mature area to 81,769 ha.

Total area tertanam pada Juni 2016 adalah 114.206 ha dimana 82% area ditanami oleh tanaman kelapa sawit, 15% oleh tanaman karet, dan sisanya sebesar 3% ditanami oleh tanaman lain. Pada kuartal ini telah terjadi sekitar 3.128 ha pergerakan area tanaman belum menghasikan kelapa sawit ke tanaman menghasilkan yang menyebabkan tanaman menghasilkan kelapa sawit mencapai 81.769 ha.

| NUCLEUS Planted Area | December 2015 | | | June 2016 | | |
|---------------------------|---------------|---------------|----------------|---------------|---------------|----------------|
| | Mature | Immature | Total (ha) | Mature | Immature | Total (ha) |
| Oil Palm | 78,656 | 15,363 | 94,019 | 81,769 | 12,405 | 94,173 |
| Rubber | 12,984 | 3,944 | 16,929 | 13,488 | 3,345 | 16,833 |
| Others | 2,353 | 807 | 3,160 | 2,412 | 787 | 3,199 |
| Total Planted Area | 93,993 | 20,114 | 114,107 | 97,669 | 16,537 | 114,206 |

Per Jun 2016, Plasma planted area is 35,455 ha: 91% is Oil Palm, 9% is Rubber.

➤ **Financial & Sales Performance (Kinerja Keuangan dan Penjualan)**

| Profit & Loss (Rp Billion unless otherwise stated) | (1) | | Δ % | Laba Rugi (Rp Miliar kecuali dinyatakan lain) |
|--|---------|---------|--------|--|
| | 1H 2015 | 1H 2016 | | |
| Sales | 2,079.7 | 1,652.5 | (20.5) | Penjualan |
| Gross Profit | 543.0 | 340.4 | (37.3) | Laba Bruto |
| Gross Margin | 26.1% | 20.6% | | Marjin Laba Bruto |
| Operating Profit | 400.5 | 170.2 | (57.5) | Laba Usaha |
| Operating Margin | 19.3% | 10.3% | | Marjin Laba Usaha |
| Profit for the Period | 308.8 | 112.5 | (63.6) | Laba Periode Berjalan |
| Net Margin | 14.9% | 6.8% | | Marjin Laba Periode Berjalan |
| Profit for the period attributable to owners of the parent | 308.8 | 112.6 | (63.5) | Laba periode berjalan yang dapat diatribusikan kepada pemilik entitas induk |
| EPS attributable to the owners of the parent (full amount) | 45 | 17 | (63.5) | Laba per saham yang dapat diatribusikan kepada pemilik entitas induk (angka penuh) |
| EBITDA | 540.9 | 321.3 | (40.6) | EBITDA |
| EBITDA Margin | 26.0% | 19.4% | | Marjin EBITDA |

(1) restated

| | Sales (Rp Billion) | | | Volume (tons/000 seeds) | | |
|---------------------|--------------------|----------------|---------------|-------------------------|--------------|---------------|
| | 1H 2015 | 1H 2016 | Δ % | 1H 2015 | 1H 2016 | Δ % |
| Palm Product | 1,879.8 | 1,489.6 | (20.8) | | | |
| CPO | 1,599.0 | 1,250.7 | (21.8) | 211,942 | 172,000 | (18.8) |
| PK | 280.8 | 238.9 | (14.9) | 53,457 | 41,470 | (22.4) |
| Rubber | 132.4 | 87.4 | (34.0) | 6,527 | 4,813 | (26.3) |
| OP Seeds | 44.8 | 50.3 | 12.3 | 3,657 | 4,738 | 29.5 |
| Others | 22.7 | 25.2 | 10.9 | | | |
| Total | 2,079.7 | 1,652.5 | (20.5) | | | |

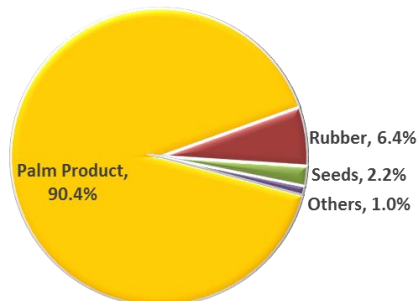
Lonsum's sales in 1H 2016 declined by 20.5% to Rp1.65 trillion from Rp2.08 trillion in the same period last year. The decline in sales mainly due to lower sales volume and average selling price for Lonsum's main product which is CPO and rubber. Lower sales volume for oil palm product and rubber was due to weaker CPO and rubber production during the period. Oil palm seeds sales increased by 12.3% to Rp50.3 billion from Rp44.8 billion last year due to increase in sales volume despite slightly lower average selling price.

Penjualan Lonsum pada 1H 2016 turun 20,5% menjadi Rp1,65 triliun dari Rp2,08 triliun pada periode yang sama tahun lalu. Penurunan penjualan Lonsum terutama dikarenakan penurunan volume penjualan serta penurunan harga jual rata-rata untuk produk utama Lonsum yaitu minyak sawit dan karet. Penurunan volume penjualan untuk produk tersebut pada periode ini dikarenakan adanya penurunan produksi CPO serta karet. Penjualan benih bibit sawit meningkat 12,3% menjadi Rp50,3 miliar dari Rp44,8 miliar tahun lalu karena ada peningkatan volume penjualan walaupun terjadi sedikit penurunan harga jual rata-rata.

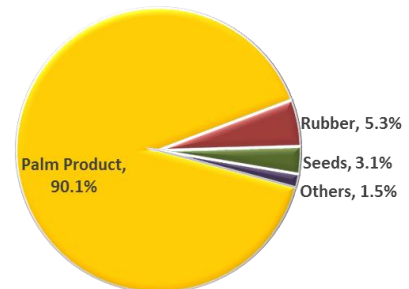
Gross profit decreased 37.3% to Rp340.4 billion with gross profit margin of 20.6%. The decline in gross profit mainly was due to lower sales. 1H 2016 net profit declined to Rp112.5 billion from Rp308.8 billion last year mainly was due to lower operating income as well as forex loss due to time deposits on the balance sheet, lower finance income, and higher loss of associates. Therefore, net profit margin contracted to 6.8% in 1H 2016 compare to 14.9% last year.

Laba bruto turun 37,3% menjadi Rp340,4 miliar dengan marjin laba bruto sebesar 20,6%. Penurunan laba bruto terutama disebabkan oleh penurunan penjualan. Laba bersih pada 1H 2016 turun dari Rp308,8 miliar tahun lalu menjadi Rp112,5 miliar dikarenakan penurunan laba usaha serta kerugian selisih kurs yang disebabkan oleh deposito berjangka di neraca, lebih rendahnya pendapatan keuangan, dan naiknya bagian atas rugi entitas asosiasi. Sehingga, marjin laba bersih turun menjadi 6,8% pada 1H 2016 dibandingkan dengan 14,9% tahun lalu.

1H 2015 Sales Mix



1H 2016 Sales Mix



At the end of 1H 2016, Lonsum still maintain strong balance position with Lonsum's asset stood around Rp8.7 trillion and net cash position.

Pada akhir 1H 2016, Lonsum masih mempertahankan posisi keuangan yang sehat dengan total aset sekitar Rp8,7 triliun dan memiliki posisi kas bersih.

| Financial Position (Rp Billion) | 31 Dec 2015 | 31 Jun 2016 |
|---------------------------------|-------------|-------------|
| TOTAL ASSETS | 8,848.8 | 8,692.5 |
| Cash & Cash Equivalents | 737.1 | 472.6 |
| TOTAL LIABILITIES | 1,510.8 | 1,496.2 |
| EQUITY | 7,338.0 | 7,196.3 |
| ENDING FX RATE (Rp/USD) | 13,795 | 13,180 |

➤ **Quarterly Sales Volume (Volume Penjualan per Kuartal)**

