



Kencana Agri Limited



1H 2013
Performance Review

Overview of Group's Operations



Plantation and Processing



Location :
Sumatra, Kalimantan, Sulawesi



Palm Oil Mills : 4
Total Capacity : 210 MT/hour
Kernel Crushing Plant : 2
Total Capacity : 435 MT/day

Products



Main products:
CPO (Crude Palm Oil)
CPKO (Crude Palm Kernel Oil)

By product:
PKC (Palm Kernel Cake)

Supporting Business



Port and Bulking Terminal
Total capacity :
66,000 MT



Logistics
Vessels : 6
Total Capacity :
13,800 MT

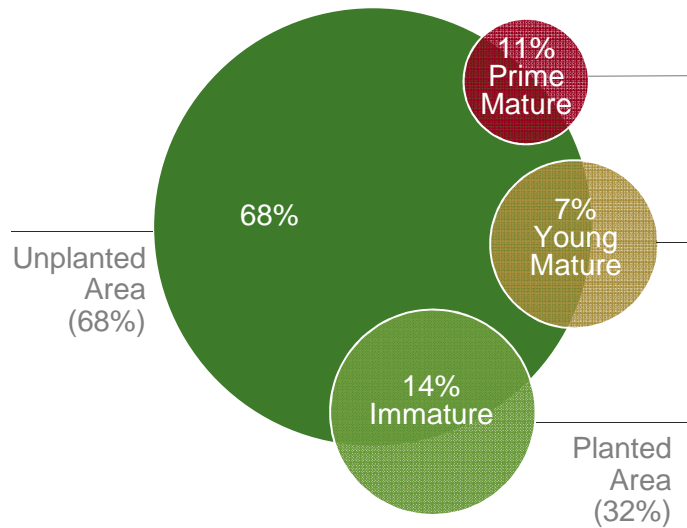


Biomass Power Plant - 2
Total Capacity : 13.5 MW

Significant Land Bank for Future Planting



Total Land Bank 197,431 ha* (Nucleus + Plasma)



Land Bank (ha)	Planted Area (ha)	%	Unplanted Area (ha)	%	Total (ha)	%
Nucleus	50,422	28	128,532	72	178,954	91
Plasma	13,522	73	4,955	27	18,477	9
Total	63,944	32	133,487	68	197,431	100



* Subject to final measurement

Where We Are...



* Joint venture with Louis Dreyfus Commodities in Balikpapan

Operational Performance

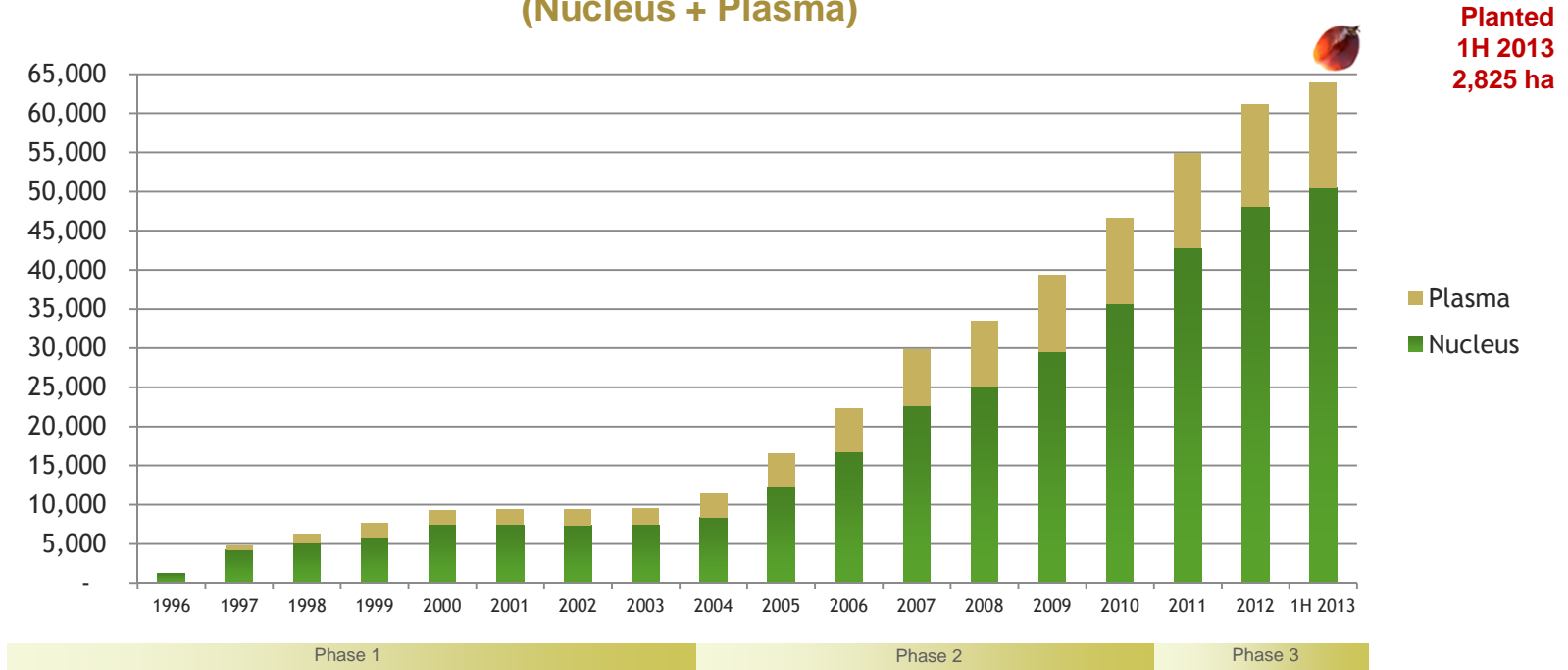


Production Highlights	1H 2012	1H 2013	Change	2Q 2012	2Q 2013	Change
FFB Production (MT)	234,325	225,592	-3.7%	129,836	112,325	-13.5%
- Nucleus	178,902	181,406	+1.4%	97,899	90,375	-7.7%
- Plasma	55,423	44,186	-20.3%	31,937	21,950	-31.3%
FFB Processed (MT)	263,787	255,163	-3.3%	141,831	126,218	-11.0%
- Nucleus	161,763	179,530	+11.0%	93,297	90,480	-3.0%
- Plasma	55,423	44,186	-20.3%	31,937	21,950	-31.3%
- External Parties	46,601	31,447	-32.5%	16,597	13,788	-16.9%
Oil Extraction rates (%)						
- CPO	20.4%	20.0%	-0.4pp	19.8%	19.7%	-0.1pp
- CPKO	41.7%	42.9%	+1.2pp	41.7%	42.5%	+0.8pp
Oil Production (MT)						
- CPO (MT)	53,474	51,187	-4.3%	28,132	24,835	-11.7%
- CPKO (MT)	5,718	3,338	-41.6%	2,333	1,434	-38.5%
FFB Yield (MT/ha) – Nucleus	7.6	7.0	-7.8%	4.1	3.5	-14.6%
Oil Yield (MT/ha)	1.7	1.4	-17.6%	0.9	0.7	-22.2%

Operational Performance



Development of Kencana's planted area (Nucleus + Plasma)



Phase 1
Oil Palm cultivation started in 1996 in Bangka island, Sumatra (1,215 ha). This was followed by the 2nd planting in 1998 in South Kalimantan.

Phase 2
Started in 2004 in South and East Kalimantan with rapid planting programme. Total planted area increased by about 5 times from phase 1

Phase 3
Started in 2011 in Sulawesi.

Operational Performance

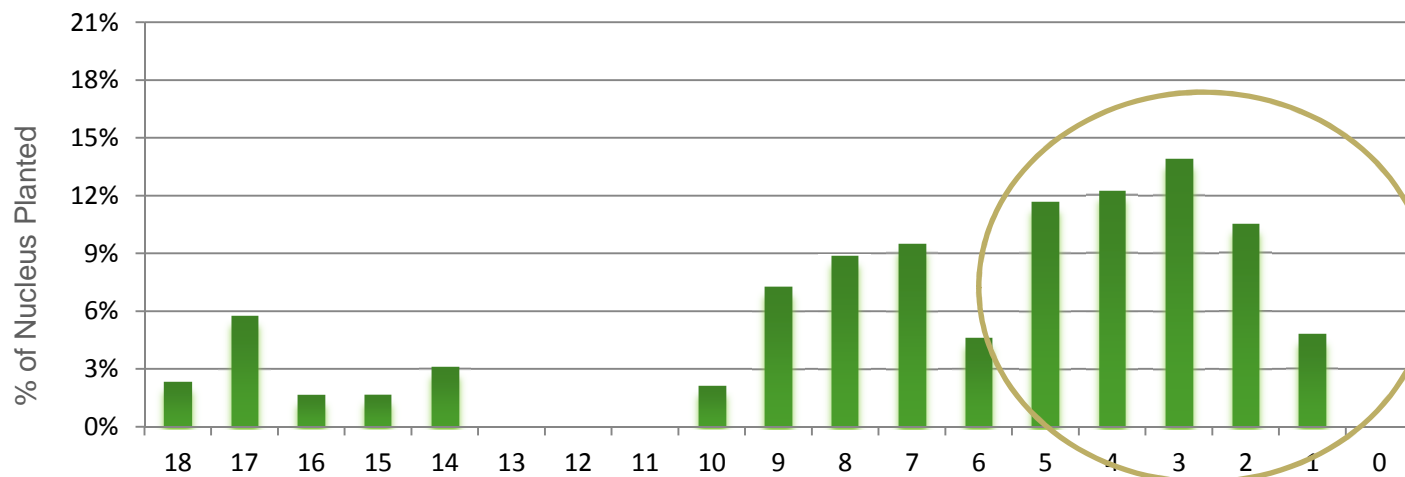


AGE PROFILE

	Immature	%	Young Mature	%	Prime Mature	%	Total
Nucleus	24,364	48	9,512	19	16,546	33	50,422
Plasma	4,070	30	4,164	31	5,288	39	13,522
Total	28,434	45	13,676	21	21,834	34	63,944

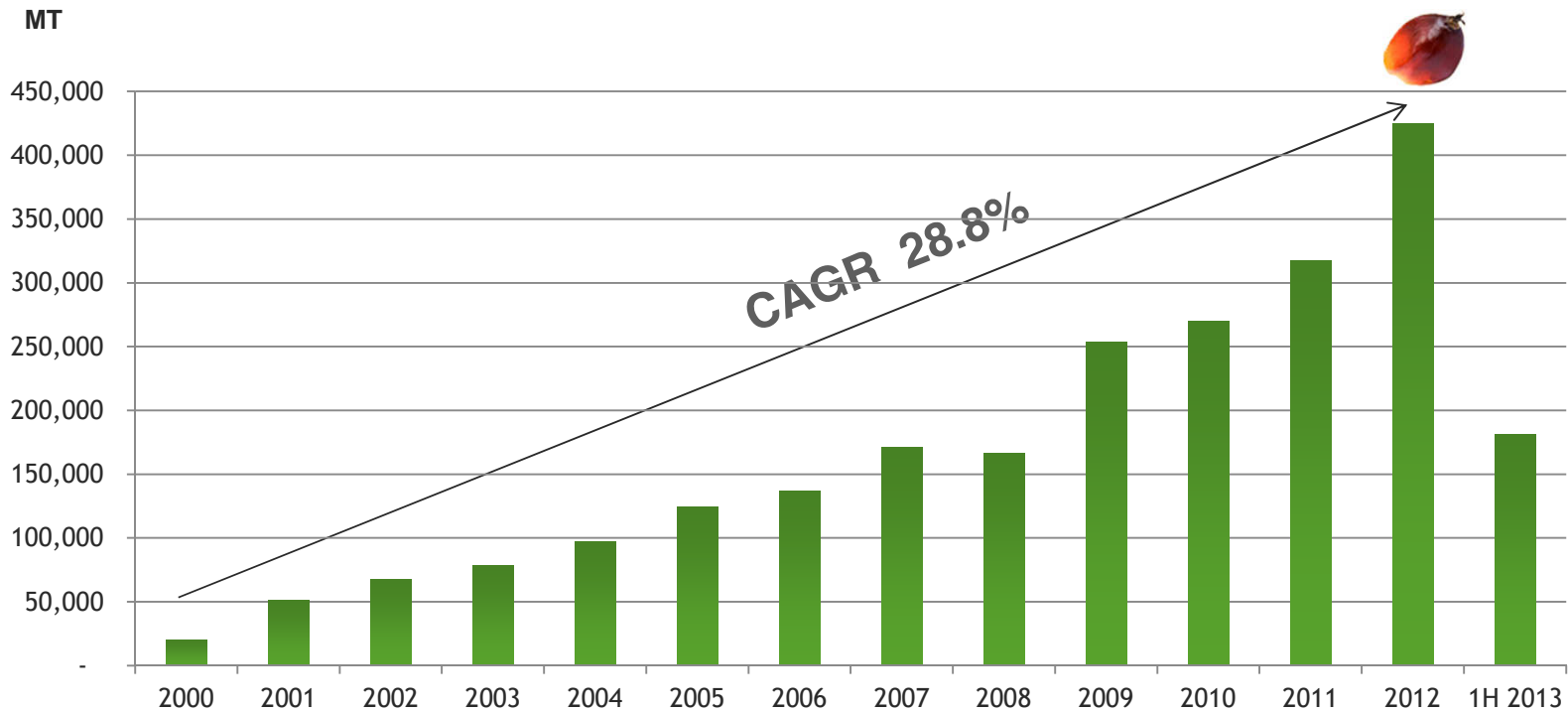
66% OF IMMATURE AND YOUNG MATURE PALMS WILL ENTER THE PRIME MATURE PHASE, AND WILL DRIVE THE POTENTIAL OF STRONG PRODUCTION GROWTH IN THE NEAR FUTURE.

Age distribution of oil palms (nucleus)



Weighted Average Age = 5.8 Years

FFB Production Trend (Nucleus)



- 2000 – 2012 CAGR = 28.8%
- 2013 onward – expect steady increase in production

Financial Performance



Financial Highlights

	1H 2012	1H 2013	Change	2Q 2012	2Q 2013	Change
Sales Volume (MT)						
- CPO	122,501	178,912	+46.0%	49,600	55,958	+12.8%
- CPKO	5,727	3,226	-43.7%	1,572	1,226	-22.0%
Sales Revenue (US\$'000)						
- CPO	110,321	124,631	+13.0%	43,074	39,627	-8.0%
- CPKO	5,594	2,023	-63.8%	1,595	773	-51.5%
- OTHERS	9,957	6,499	-34.7%	3,540	3,229	-8.8%
Average Selling Price (US\$)						
- CPO	901	697	-22.6%	868	708	-18.4%
- CPKO	1,061	627	-40.9%	1,015	630	-37.9%

Financial Performance



Income Statement Highlights (US\$'000)	1H 2012	1H 2013	Change	2Q 2012	2Q 2013	Change
Revenue	125,872	133,153	+5.8%	48,209	43,629	-9.5%
Gross profit	16,144	12,683	-21.4%	6,723	6,311	-6.1%
Operating profit	5,607	4,856	-13.4%	1,543	3,214	+108.3%
Profit(loss) before tax	2,832	295	-89.6%	111	142	+28.0%
Net profit (loss) for the period	2,890	197	-93.2%	739	93	-87.4
EBITDA	8,142	4,862	-40.3%	2,948	1,527	-48.2
Gross margin (%)	12.8	9.5	-3.3pp	13.9	14.5	+0.6pp
Net Profit margin (%)	2.3	0.1	-2.2pp	1.5	0.2	-1.3pp
EBITDA margin (%)	6.5	3.6	-2.9pp	6.1	3.5	-2.6pp

Financial Performance



Balance Sheet Highlights (US\$'000)	31 Dec 2012	30 June 2013	Change
Current Assets	86,961	86,978	+0.02%
Non-current Assets	439,508	463,123	+5.4%
Total Assets	526,469	550,101	+4.5%
Current Liabilities	108,301	139,822	+29.1%
Non-current Liabilities	190,955	190,236	-0.4%
Total Liabilities	299,256	330,058	+10.3%
Shareholders' Equity	227,213	220,043	-3.2%
Net Debt/Equity Ratio (%)	85.5	97.6	+12.1pp
Net Debt/Total Assets (%)	36.9	39.0	+2.1pp
Net Debt/EBITDA (x)	10.7	44.2*	+33.5pp
EBITDA/Interest Expense (x)	2.7	1.0	1.7pp

* Half year

Financial Performance



Cash Flow (US\$'000)	1H2012	1H2013	Change
Cash at beginning of year	23,019	7,603	-67.0%
Net cash from operating activities	9,937	24,316	+144.7%
Net cash used in investing activities	30,542	(38,447)	n/m
Net cash from financing activities	5,512	22,599	+310.0%
Net (decrease)/increase in cash	(15,093)	8,468	n/m
Cash at end of year	7,926	16,071	+102.8

n/m: not meaningful



Thank You

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