



Growth • Excellence • Integrity

Kencana Agri Limited



**1Q 2016
Performance Review**

Overview of Group's Operations



Plantation and Processing



Location :
Sumatra, Kalimantan, Sulawesi



Palm Oil Mills : 5
Total Capacity : 275 MT/hour

Kernel Crushing Plants : 2
Total Capacity : 435 MT/day

Products



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

Renewable by-products:
Empty Fruit Bunches, Liquid
Waste, Kernel Shells, Fibre

Supporting Business



Port and Bulking Terminal
Total capacity :
120,500 MT



Logistics
Vessels : 5
Total Capacity :
12,650 MT

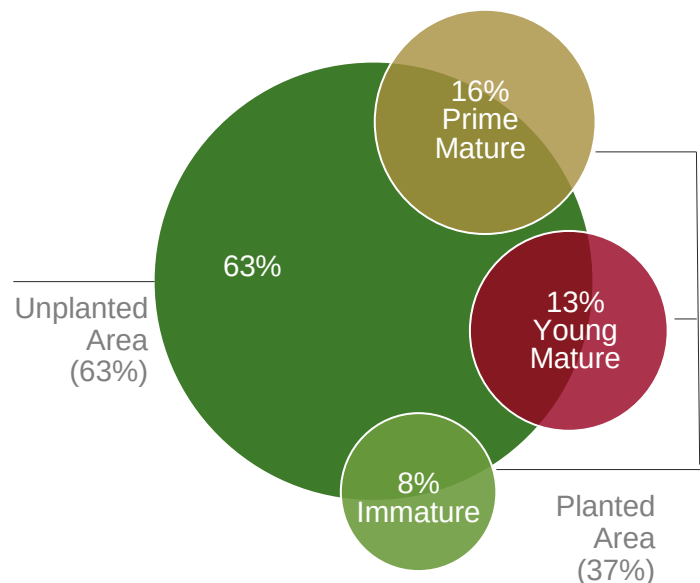


Biomass Power Plant - 2
Total Capacity : 13.5 MW

Significant Land Bank for Future Planting



Total Land Bank 185,709 ha* (Nucleus + Plasma)



Land Bank (ha)	Planted Area (ha)	%	Unplanted Area (ha)	%	Total (ha)	%
Nucleus	54,027	33	110,823	67	164,850	89
Plasma	14,035	67	6,824	33	20,869	11
Total	68,062	37	117,647	63	185,709	100



* Subject to final measurement

Where We Are...



¹ Joint venture with ENCO Sdn. Bhd. in Bangka & Belitung

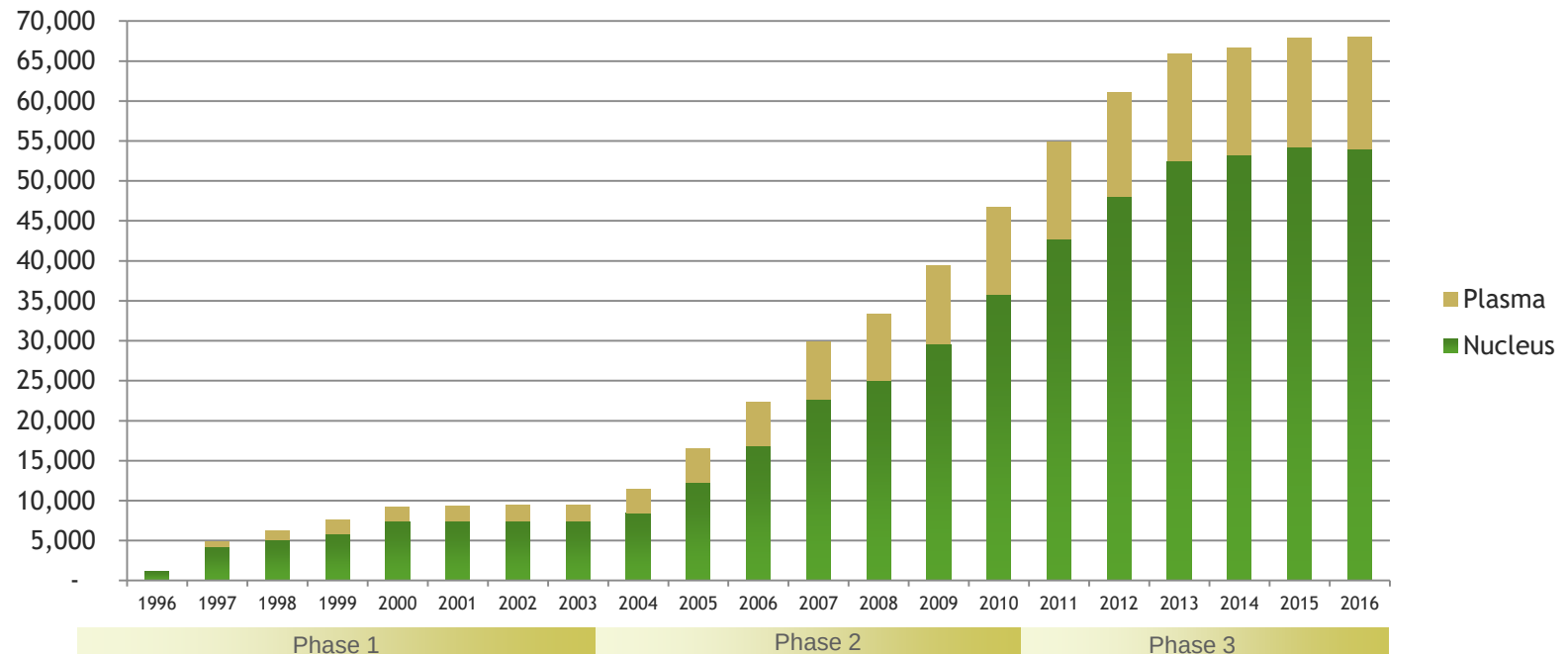
² Joint venture with Louis Dreyfus Company in Balikpapan

Operational Performance



Production Highlights	1Q 2016	1Q 2015	Change
FFB Production (MT)	139,058	142,745	-2.6%
- Nucleus	109,914	113,589	+3.2%
- Plasma	29,144	29,156	-0.0%
FFB Processed (MT)	136,436	144,576	-5.6%
- Nucleus	105,410	109,691	-3.9%
- Plasma	28,779	28,914	-0.5%
- External Parties	2,247	5,971	-62.4%
Oil Extraction rates (%)			
- CPO	22.2%	20.7%	+1.5pp
- CPKO	43.3%	43.4%	-0.1pp
Oil Production (MT)			
- CPO (MT)	30,309	29,925	+1.3%
- CPKO (MT)	546	1,257	-56.6%
FFB Yield (MT/ha) – Nucleus	2.7	3.1	-13.5%
Oil Yield (MT/ha)	0.6	0.6	+0.0%

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

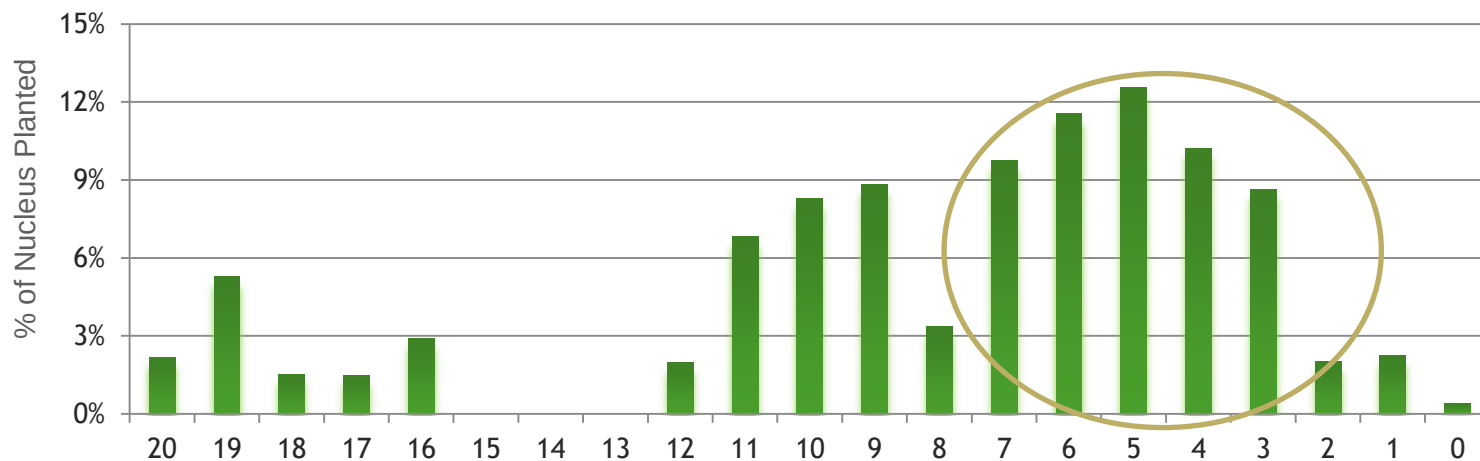
Started in 2011 in Sulawesi.

AGE PROFILE

	Immature	%	Young Mature	%	Prime Mature	%	Total
Nucleus	13,088	24	18,638	35	22,301	41	54,027
Plasma	1,779	13	4,557	32	7,699	55	14,035
Total	14,867	22	23,195	34	30,000	44	68,062

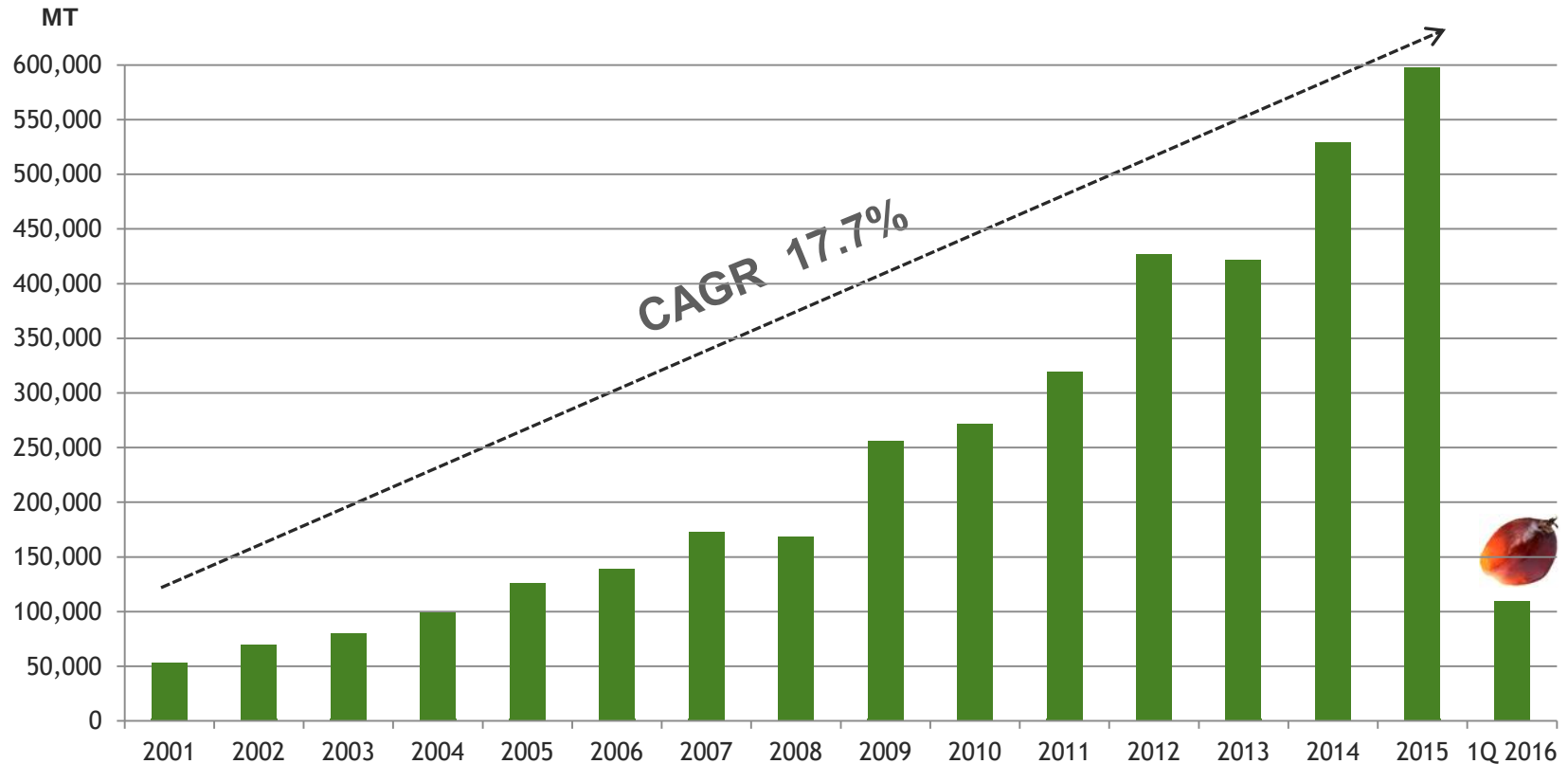
59% OF IMMATURE AND YOUNG MATURE PALMS (NUCLEUS) WILL ENTER THE PRIME MATURE PHASE, AND WILL DRIVE THE POTENTIAL OF STRONG PRODUCTION GROWTH IN THE NEAR FUTURE.

Age distribution of oil palms (nucleus)



Weighted
Average Age
= 8.0 Years

FFB Production Trend (Nucleus)



- 2001 – 2015 CAGR = 17.7%

Financial Performance



Financial Highlights	1Q 2016	1Q 2015	Change
Sales Volume (MT)			
- CPO	50,264	46,682	+7.7%
- CPKO	800	2,400	-66.7%
Sales Revenue (US\$'000)			
- CPO	25,376	27,244	-6.9%
- CPKO	601	2,023	-70.3%
- OTHERS*	2,870	3,024	-5.1%
Average Selling Price (US\$)			
- CPO	505	584	-13.5%
- CPKO	752	843	-10.8%

*) Others include sales of Kernel, Cake, FFB, and income from logistics

Financial Performance



Income Statement Highlights (US\$'000)	1Q 2016	1Q 2015 (Restated)	Change
Revenue	28,847	32,291	-10.7%
Gross profit	2,352	4,914	-52.1%
Operating (loss)/profit	(629)	1,542	n/m
Profit/(loss) before tax	570	(9,238)	n/m
Net profit/(loss) for the year	768	(7,861)	n/m
EBITDA	8,714	(3,206)	n/m
Gross margin (%)	8.2	15.2	-7.0pp
Net Profit margin (%)	2.7	-24.3	n/m
EBITDA margin (%)	30.2	-9.9	n/m

n/m: not meaningful

Financial Performance



Balance Sheet Highlights (US\$'000)	As at 31 Mar 2016	As at 31 Dec 2015 (Restated)	Change
Current Assets	56,127	52,560	+6.8%
Non-current Assets	345,745	320,779	+7.8%
Total Assets	401,872	373,339	+7.7%
Current Liabilities	112,658	104,993	+7.3%
Non-current Liabilities	237,682	221,474	+7.3%
Total Liabilities	350,340	326,467	+7.3%
Shareholders' Equity	51,532	46,872	+10.0%
Net Debt/Equity Ratio (%)	484.1	528.9	-44.8pp
Net Debt/Total Assets (%)	62.1	66.4	-4.3pp
Net Debt/EBITDA (x)	28.6	-77.3	n.m.
EBITDA/Interest Expense (x)	1.8	0.8	2.6

n/m: not meaningful

Financial Performance



Cash Flow (US\$'000)	1Q 2016	1Q 2015	Change
Cash at beginning of year	8,196	14,124	-42.0 %
Net cash from operating activities	13,125	22,558	-41.8%
Net cash used in investing activities	(9,604)	(6,905)	-39.1%
Net cash used financing activities	(3,488)	(5,828)	-40.0%
Net increase in cash	33	9,825	-99.7%
Cash at end of year	8,229	23,949	-40.3%

n/m: not meaningful



Thank You

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