



Growth • Excellence • Integrity

Kencana Agri Limited



**FY 2015
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

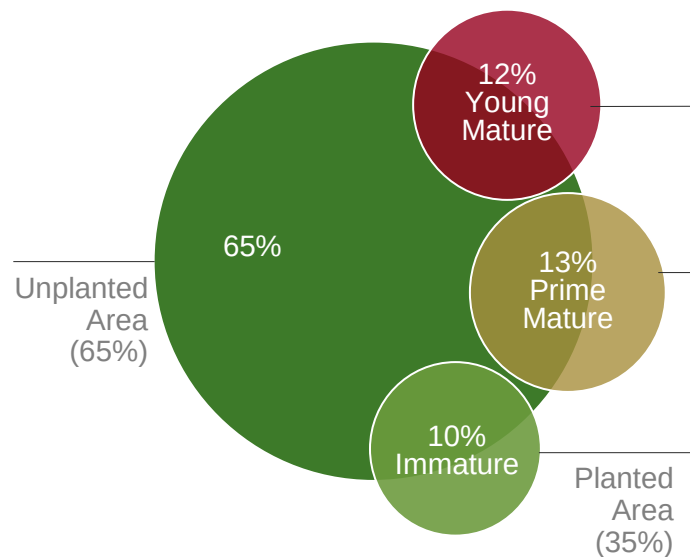


Biomass Power Plant - 2
Total Capacity : 13.5 MW

Significant Land Bank for Future Planting



Total Land Bank 193,574 ha* (Nucleus + Plasma)



Land Bank (ha)	Planted Area (ha)	%	Unplanted Area (ha)	%	Total (ha)	%
Nucleus	54,194	31	119,752	69	173,946	90
Plasma	13,733	70	5,895	30	19,628	10
Total	67,927	35	125,647	65	193,574	100



* Subject to final measurement

Where We Are...



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

² Joint venture with Louis Dreyfus Commodities in Balikpapan

Operational Performance

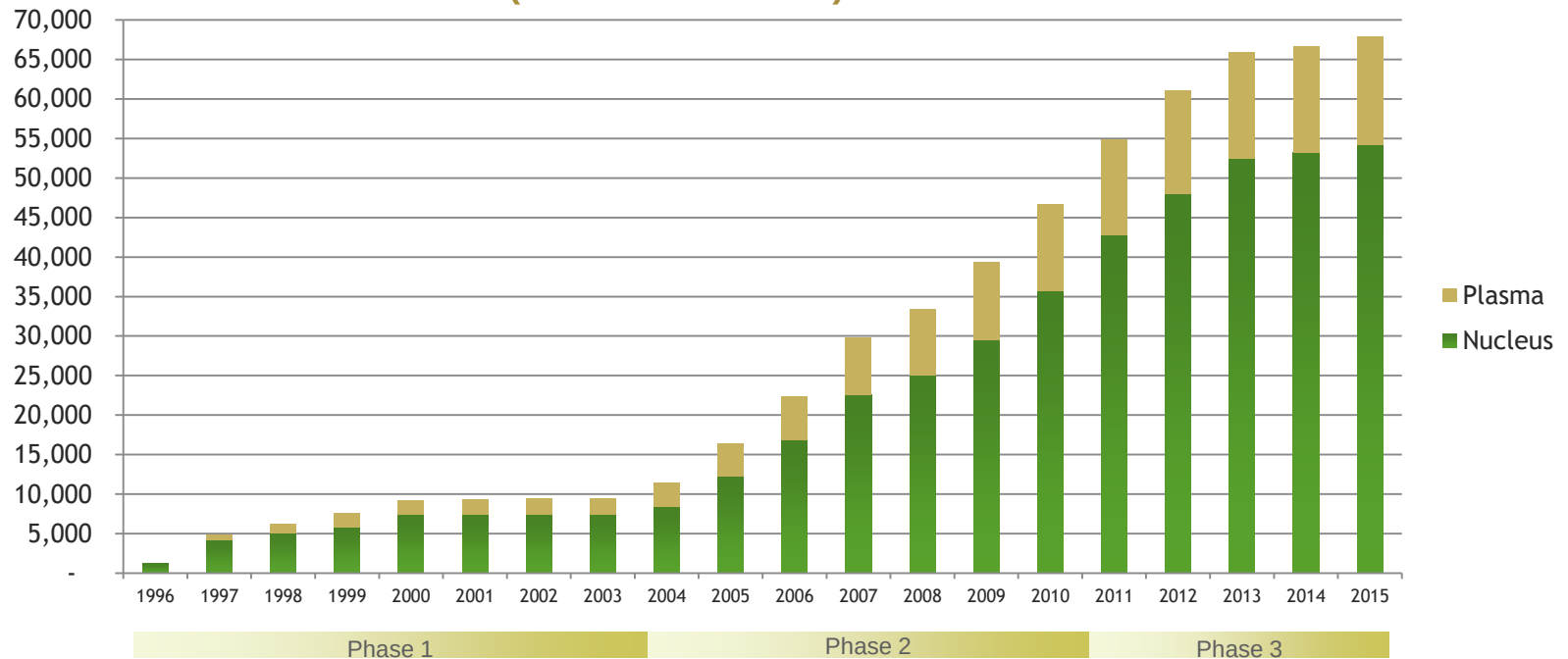


Production Highlights	FY 2015	FY 2014	Change
FFB Production (MT)	761,052	669,644	+13.7%
- Nucleus	595,969	527,118	+13.1%
- Plasma	165,083	142,526	+15.8%
FFB Processed (MT)	772,964	691,784	+11.7%
- Nucleus	583,330	520,755	+12.0%
- Plasma	163,604	142,518	+14.8%
- External Parties	26,030	28,511	-8.7%
Oil Extraction rates (%)			
- CPO	20.7%	21.0%	-1.4%
- CPKO	43.3%	43.3%	+0%
Oil Production (MT)			
- CPO (MT)	160,043	143,732	+11.3%
- CPKO (MT)	5,512	10,596	-48%
FFB Yield (MT/ha) – Nucleus	16.2	17.3	-6.5%
Oil Yield (MT/ha)	3.3	3.6	+19.4%

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

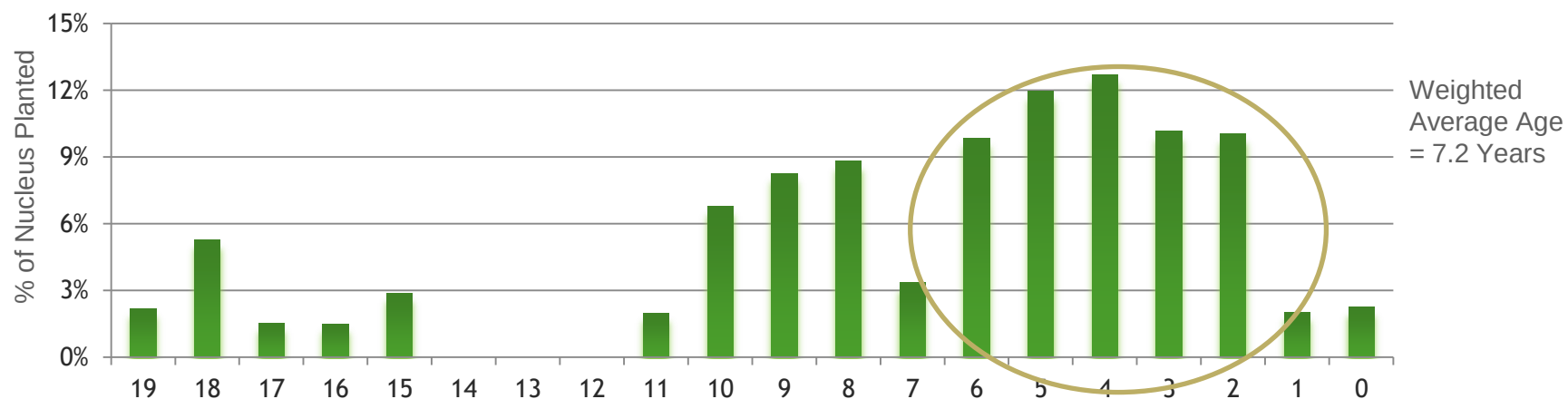
Started in 2011 in Sulawesi.

AGE PROFILE

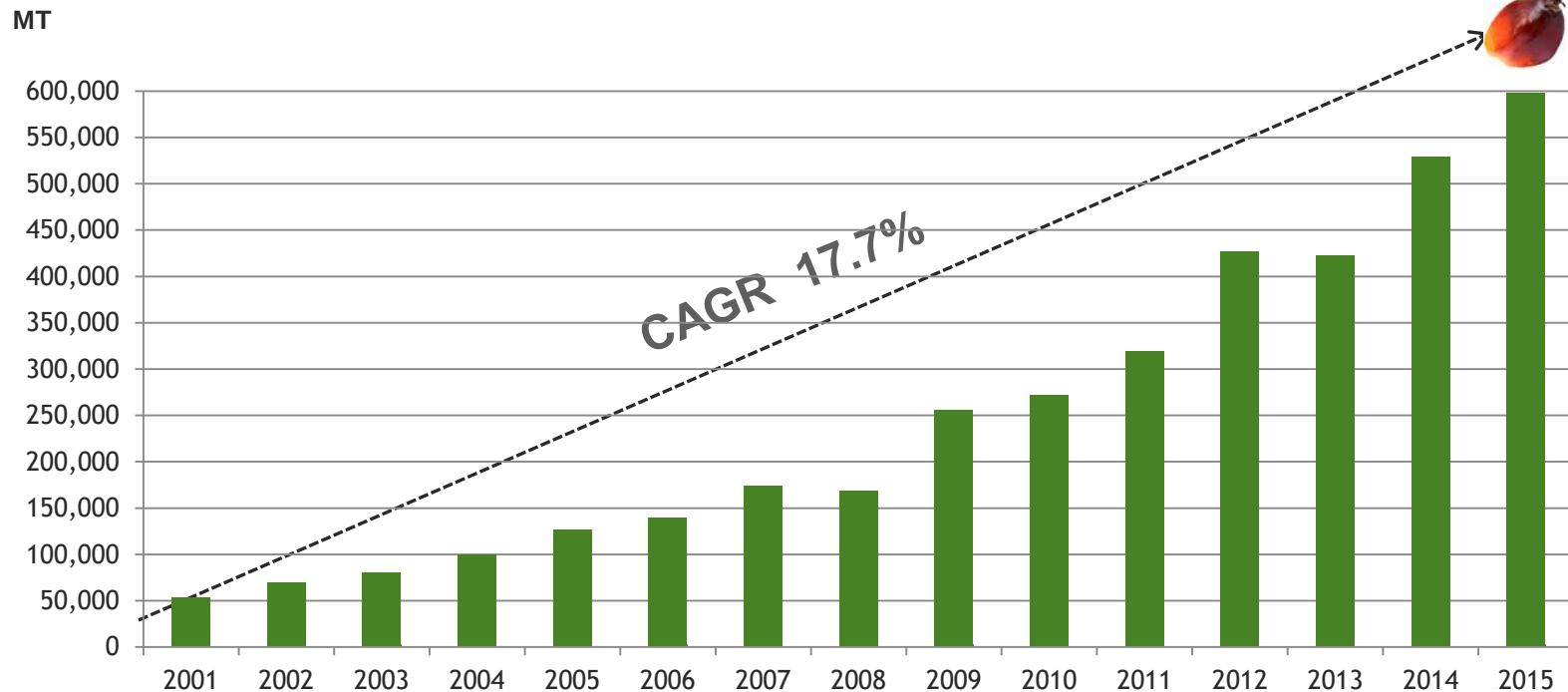
	Immature	%	Young Mature	%	Prime Mature	%	Total
Nucleus	17,326	32	17,891	33	18,977	35	54,194
Plasma	2,747	20	4,737	35	6,249	45	13,733
Total	20,073	30	22,628	33	25,226	37	67,927

65% 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)



FFB Production Trend (Nucleus)



- 2001 – 2015 CAGR = 17.7%
- 2016 onward – expect steady increase in production

Financial Performance



Financial Highlights	FY 2015	FY 2014	Change
Sales Volume (MT)			
- CPO	226,915	210,657	+7.7%
- CPKO	5,850	9,999	-41.5%
Sales Revenue (US\$'000)			
- CPO	115,954	149,109	-22.2%
- CPKO	4,504	10,116	-55.5%
- OTHERS*	11,386	17,279	-34.1%
Average Selling Price (US\$)			
- CPO	511	708	-27.8%
- CPKO	770	1,012	-23.9%

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

Financial Performance



Income Statement Highlights (US\$'000)

	FY 2015	FY 2014	Change
Revenue	131,844	176,504	-25.3%
Gross profit	22,424	40,091	-44.1%
Operating profit	16,443	32,529	-49.0%
Profit/(loss) before tax	(18,082)	13,163	n/m
Net profit/(loss) for the year	(17,045)	7,223	n/m
EBITA	(2,459)	22,927	n/m
Gross margin (%)	17.0	22.7	-5.7pp
Net Profit margin (%)	(12.9)	4.1	-17.0pp
EBITA margin (%)	-1.9	13.0	-14.9pp

n/m: not meaningful

Financial Performance



Balance Sheet Highlights (US\$'000)	As at 31 Dec 2015	As at 31 Dec 2014	Change
Current Assets	50,758	52,763	-3.8%
Non-current Assets	444,335	458,232	-3.0%
Total Assets	495,093	510,995	-3.1%
Current Liabilities	104,993	97,982	7.2%
Non-current Liabilities	244,595	240,279	1.8%
Total Liabilities	349,588	338,261	3.3%
Shareholders' Equity	145,505	172,734	-15.8%
Net Debt/Equity Ratio (%)	170.4	131.4	+39.0pp
Net Debt/Total Assets (%)	50.0	44.4	+5.6pp
Net Debt/EBITDA (x)	-100.8	9.9	-110.7
EBITDA/Interest Expense (x)	-0.1	1.8	-1.7

n/m: not meaningful

Financial Performance



Cash Flow (US\$'000)	FY 2015	FY 2014	Change
Cash at beginning of year	13,735	14,208	-3.3%
Net cash from operating activities	(1,537)	31,005	-105.0%
Net cash used in investing activities	(18,990)	(43,217)	-56.1%
Net cash from financing activities	14,989	11,739	+27.7%
Net (decrease)/increase in cash	(5,538)	(473)	n/m
Cash at end of year	8,197	13,735	-40.3%

n/m: not meaningful



Thank You

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