



KENCANA

Growth • Excellence • Integrity

Kencana Agri Limited

**1Q 2014
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 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 :
79,500 MT



Logistics
Vessels : 6
Total Capacity :
13,800 MT

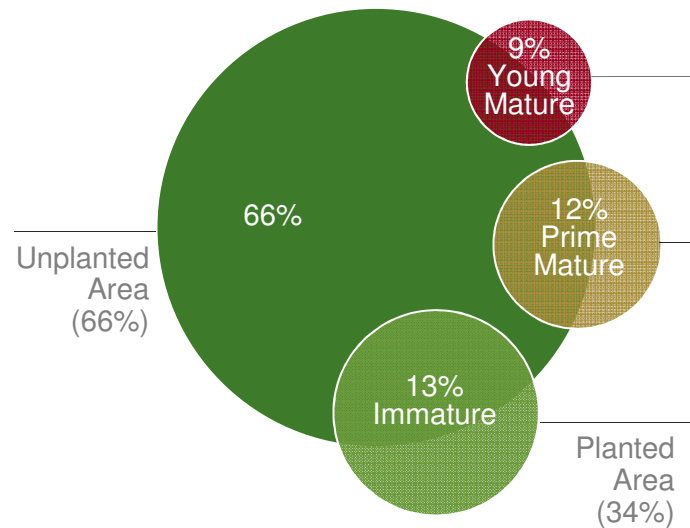


Biomass Power Plant - 2
Total Capacity : 13.5 MW

Significant Land Bank for Future Planting



Total Land Bank 191,605 ha* (Nucleus + Plasma)



Land Bank (ha)	Planted Area (ha)	%	Unplanted Area (ha)	%	Total (ha)	%
Nucleus	52,467	30	120,250	70	172,717	90
Plasma	13,405	71	5,483	29	18,888	10
Total	65,872	34	125,733	66	191,605	100



* Subject to final measurement

Where We Are...



* Joint venture with Louis Dreyfus Commodities in Balikpapan

Operational Performance

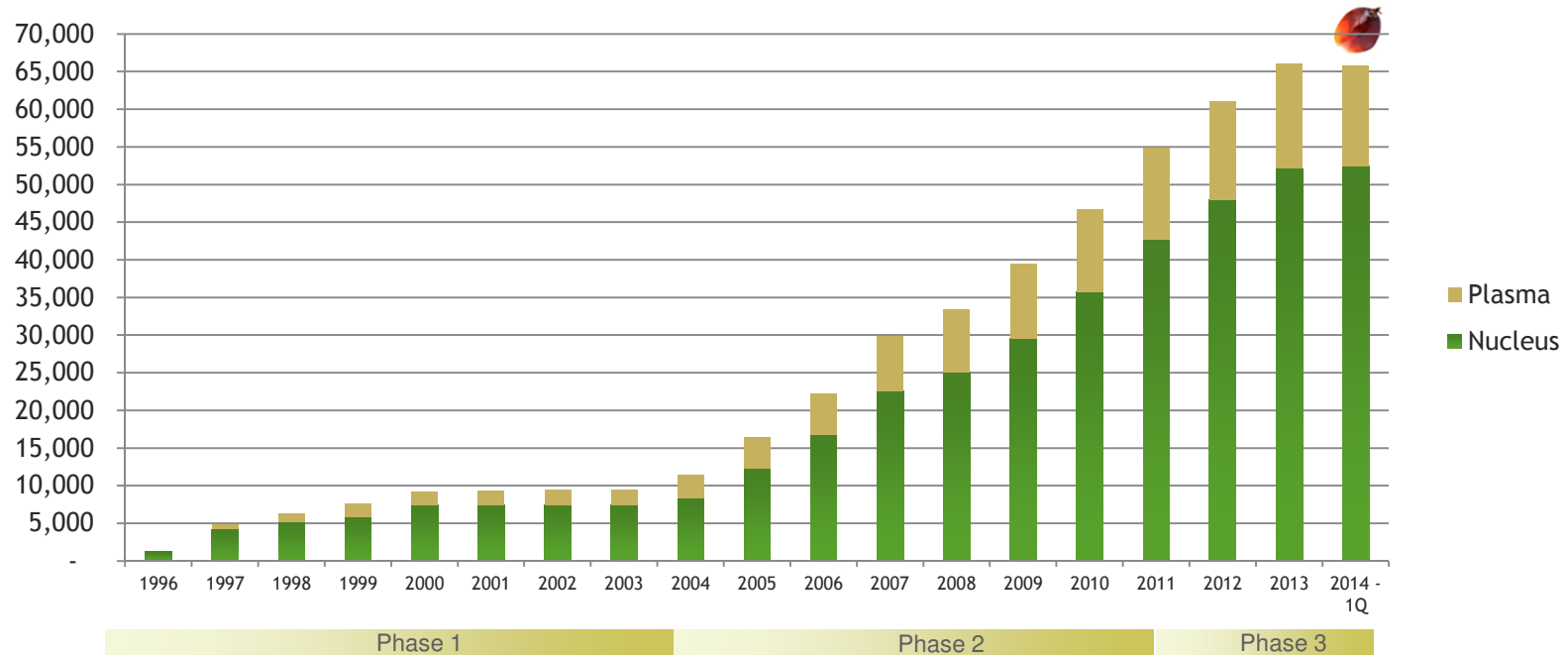


Production Highlights	1Q 2014	1Q 2013	Change
FFB Production (MT)	149,714	113,267	+24.3%
- Nucleus	116,669	91,031	+22.0%
- Plasma	32,505	22,236	+31.6%
FFB Processed (MT)	152,569	128,945	+15.5%
- Nucleus	115,809	89,050	+23.1%
- Plasma	32,505	22,236	+31.6%
- External Parties	4,255	17,659	-315.0%
Oil Extraction rates (%)			
- CPO	21.2%	20.4%	+0.8pp
- CPKO	43.4%	43.2%	+0.2pp
Oil Production (MT)			
- CPO (MT)	32,270	26,352	+18.3%
- CPKO (MT)	3,149	1,903	+39.6%
FFB Yield (MT/ha) – Nucleus	3.8	3.5	+7.9%
Oil Yield (MT/ha)	0.8	0.7	+12.5%

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.

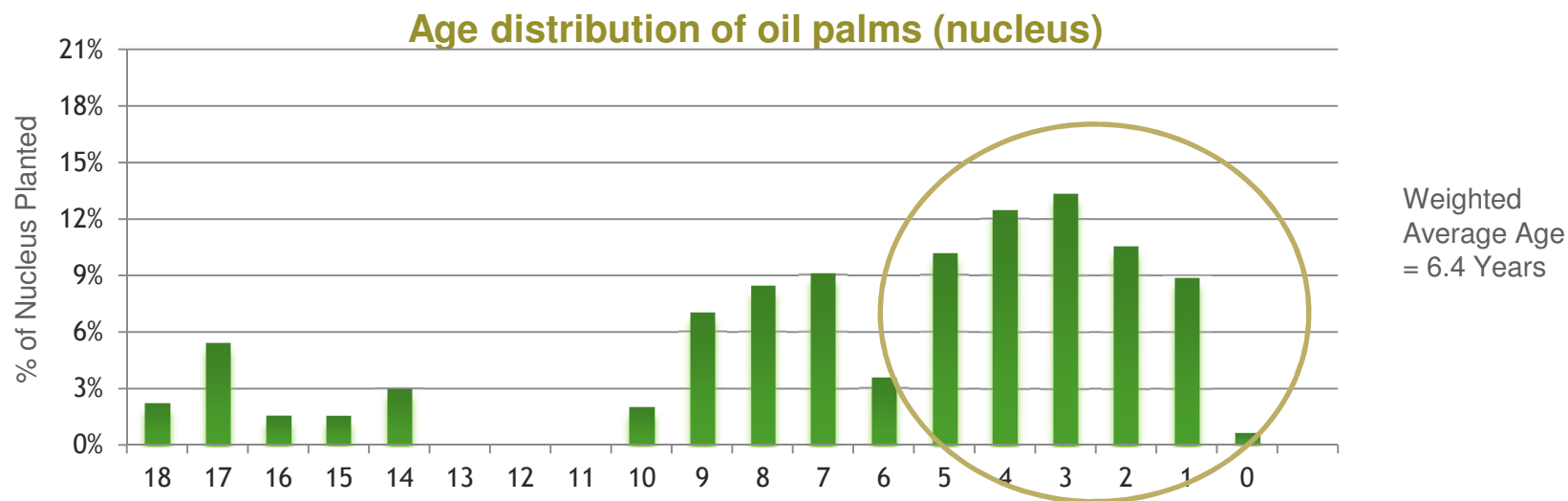
Operational Performance



AGE PROFILE

	Immature	%	Young Mature	%	Prime Mature	%	Total
Nucleus	22,060	42	13,751	26	16,656	32	52,467
Plasma	3,438	26	4,495	34	5,472	41	13,405
Total	25,498	39	18,245	28	22,129	34	65,872

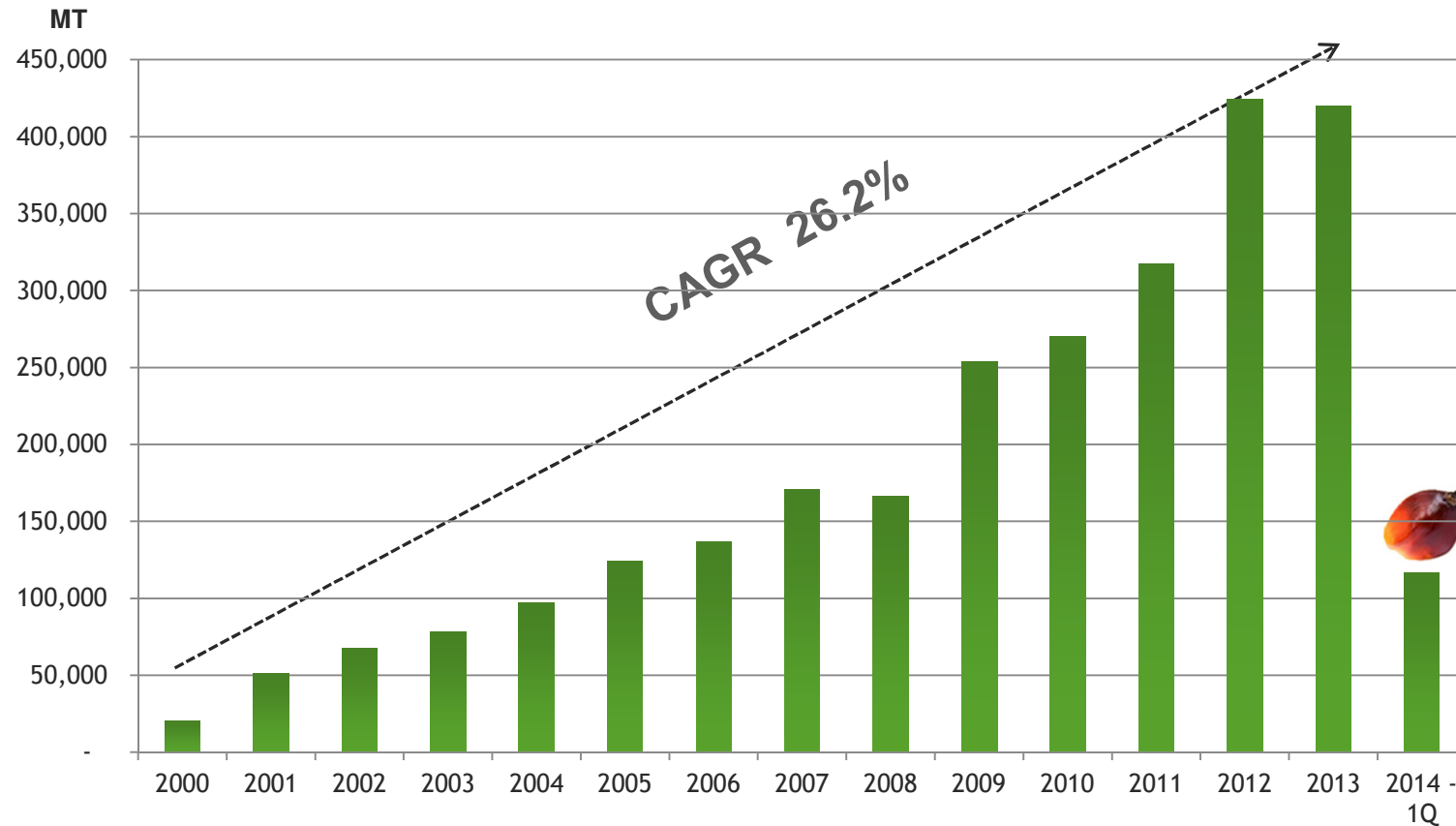
67% OF IMMATURE AND YOUNG MATURE PALMS WILL ENTER THE PRIME MATURE PHASE, AND WILL DRIVE THE POTENTIAL OF STRONG PRODUCTION GROWTH IN THE NEAR FUTURE.



Operational Performance



FFB Production Trend (Nucleus)



- 2000 – 2013 CAGR = 26.2%
- 2014 onward – expect steady increase in production

Financial Performance



Financial Highlights	1Q 2014	1Q 2013	Change
Sales Volume (MT)			
- CPO	55,452	122,954	-54.9%
- CPKO	2,250	2,000	+12.5%
Sales Revenue (US\$'000)			
- CPO	43,535	85,004	-48.8%
- CPKO	2,220	1,250	+77.6%
- OTHERS*	4,469	3,270	+36.7%
Average Selling Price (US\$)			
- CPO	785	691	+13.6%
- CPKO	986	625	+57.8%

* Others include sales of Kernel, Cake, FFB, and income from logistic and power generation

Financial Performance



Income Statement Highlights (US\$'000)	1Q 2014	1Q 2013	Change
Revenue	50,223	89,524	-43.9%
Gross Profit	12,356	6,372	+93.9%
Operating profit	11,298	1,642	+588.1%
Profit before tax	8,184	153	+5249.0%
Net profit for the period	6,130	104	+5794.2%
EBITDA	13,215	3,335	+296.3%
Gross margin (%)	24.6	7.1	+17.5pp
Net profit margin (%)	12.2	0.1	+12.1pp
EBITDA margin (%)	26.3	3.7	+22.6pp

Financial Performance



Balance Sheet Highlights (US\$'000)	As at 31 Mar 2014	As at 31 Dec 2013	Change
Current Assets	62,444	73,112	-14.6%
Non-current Assets	447,692	409,306	+9.4%
Total Assets	510,136	482,418	+5.7%
Current Liabilities	72,357	105,535	-31.4%
Non-current Liabilities	252,853	211,339	+19.6%
Total Liabilities	325,210	316,874	+2.6%
Shareholders' Equity	184,926	165,544	+11.7%
Net Debt/Equity Ratio (%)	112.0	118.0	-6.0pp
Net Debt/Total Assets (%)	40.6	40.5	0.1pp
Net Debt/EBITDA (x)	15.7	n/m	n/m
EBITDA/Interest Expense (x)	3.9	n/m	n/m

n/m: not meaningful

Financial Performance



Cash Flow (US\$'000)	1Q 2014	1Q 2013	Change
Cash at beginning of year	14,208	7,603	+86.9%
Net cash from operating activities	17,326	18,952	-8.6%
Net cash used in investing activities	(13,206)	(18,531)	+28.7%
Net cash (used in)/from financing activities	(1,677)	2,723	n/m
Net increase in cash	2,443	3,144	-22.3%
Cash at end of period	16,651	10,747	+54.9%

n/m: not meaningful



Thank You

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