

HIGHLIGHTS

- The effects of El-Nino which have prevailed since 2015 were still the dominant factors, causing decreased productivity of national plantation. In line with this, throughout 2016 BSP also had decrease in the production of nucleus palm plantations, but managed to increase production of its nucleus rubber plantations.

2Q16 Performance

Income Statement (Rp bn)	2Q16	2Q15	YoY
Sales	771	1,080	-29%
COGS	609	822	-26%
Gross Profit	162	258	-37%
Selling Expense	22	23	-4%
General & Administrative	186	198	-6%
Operating Income	-46	37	-224%
Depreciation & Amortization	38	38	0%
EBITDA	-8	75	-111%
Finance Expense (Income)	354	294	20%
Loss (Gain) on Foreign Exchange	-302	591	-151%
Others Expense (Income)	-132	-505	-74%
Net Income (Loss) Current Period	34	-343	-110%

Compared to 2Q15, as of 2Q16 Operating Loss was Rp -46 bn while Sales have decreased to Rp 771 bn due to lower Sales volume

Margins	2Q16	2Q15
Gross Margin	21%	24%
Operating Margin	-6%	3%
EBITDA Margin	-1%	7%
Net Margin	4%	-32%

Sales Revenue (in IDR bn)	2Q16	2Q15	2Q16%
FFB	10	10	1%
CPO	478	700	62%
PK	84	108	11%
Rubber	199	262	26%
Oleo	0	0	0%
Total	771	1,080	100%

2Q16 Sales of Rp 771 bn were contributed from Palm (CPO, PK, FFB) 74%, and Rubber 26%

Sales Volume (Ton)	2Q16	2Q15	YoY
FFB	6,786	7,238	-6%
CPO	65,587	93,938	-30%
PK	13,964	20,821	-33%
Rubber	11,805	13,499	-13%
Oleo	0	0	0%

Compared to 2Q15, as of 2Q16 Sales volume of main Palm and Rubber products were lower

Average Selling Price (in USD/Ton)	2Q16	2Q15	YoY
FFB	110	107	3%
CPO	543	575	-5%
PK	448	400	12%
Rubber	1,256	1,497	-16%
Oleo	0	0	0%
Average Exchange Rate (IDR/USD)	13,419	12,968	3%

Compared to 2Q15, as of 2Q16 Palm commodity prices were higher

2Q16 Palm Oil Production

FFB Supply (MT)	2Q16	2Q15	YoY
Nucleus Production	181,196	214,623	-16%
Plasma Production	42,637	80,952	-47%
Purchased	115,091	196,443	-41%
Total FFB Supply	338,924	492,018	-31%
Total FFB Processed	329,807	479,880	
Nucleus yield/Ha	4.8	5.7	-15%
Plasma yield/Ha	3.1	6.1	-50%
Mill Production (MT)	2Q16	2Q15	YoY
CPO	65,572	95,565	-31%
Palm Kernel	13,912	21,070	-34%
CPO Extraction Rate	19.9%	19.9%	0%
Kernel Extraction Rate	4.2%	4.4%	-4%

Compared to 2Q15 as of 2Q16 CPO production decreased to 65,572 tons, due to decrease in FFB nucleus, plasma and purchase

2Q16 Rubber Production

Field Rubber Supply (MT)	2Q16	2Q15	YoY
Nucleus Production	10,904	10,561	3%
Purchased	1,702	3,212	-47%
Total Field Rubber Supply	12,606	13,774	-8%
Nucleus yield Kg/Ha	682	686	-1%
Factory Production (MT)			
Processed Rubber	11,785	13,470	

Compared to 2Q15 as of 2Q16 Rubber production decreased to 11,785 tons

Oil Palm and Rubber Plantation Hectareage

Hectareage (Ha)	2Q16	2Q15
Palm Nucleus		
Mature	37,624	37,823
Immature	7,350	8,085
Replanting	-	
New Replanting		
Planted	44,974	45,908
Plantable	4,110	2,962
Unplantable	3,476	3,691
Palm Plasma		
Mature	13,965	13,317
Immature	962	688
Planted	14,927	14,005
Total Palm - Planted	59,901	59,912
Total Palm - Plantable	4,110	2,962
Total Palm - Unplantable	3,476	3,691
Rubber		
Mature	15,984	15,385
Immature	3,152	4,176
Replanting	-	
New Replanting		
Planted	19,136	19,561
Plantable	2,154	1,818
Unplantable	2,314	2,225
Grand Total Planted	79,038	79,474
Grand Total Plantable	6,263	4,780
Grand Total Unplantable	5,790	5,916
Grand Total Hectares	91,091	90,169

As of 2Q16 BSP manages 44,974 hectares planted of palm nucleus, 14,927 hectares planted of palm plasma, and 19,136 hectares planted of rubber, for a total of 79,038 hectares planted

PT Bakrie Sumatera Plantations Tbk is an integrated and sustainable agrobusiness that operates in the business field of oil palm plantation and the production of palm oil and its derivatives; the business field of rubber plantation and the processing of natural rubber products; and the business field of processing oleochemicals products. The company has listed its shares in the Indonesia Stock Exchange since 1990 with ticker code UNSP.

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