

November 4th, 2015



PT LAUTAN LUAS Tbk

Distributor and Manufacturer - Basic and Specialty Chemicals

INVESTOR NEWSLETTER

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 PT Lautan Luas Tbk

 @PTLAUTANLUASTbk

FINANCIAL HIGHLIGHTS

PT LAUTAN LUAS Tbk is pleased to announce its 9M15 results as follows:

Despite the unfavorable domestic economic slowdown, Lautan Luas (LTLS) posted 9M15 sales revenue of Rp 4,839 billion, up by 11.5% compared to the previous year result of Rp 4,341 billion. The increase was driven mainly by growth in the Distribution segment, which reflected the phased implementation of our multi-year strategy to adjust product mix. Gross margin for the nine months ending September 2015 was stable compared to the previous year period.

9M15 operating income was down by 27.3% versus the prior year period due mainly to lower other income. Last year, the Company recorded Rp 107 billion in other income, derived primarily from a gain on the sale of an investment undertaken in line with the Company's plan to focus on its core business. Excluding this one time gain, operating income is up by 3% over last year. In addition, the weakening IDR versus the USD in the current period generated a foreign exchange loss in 9M15 of Rp 15 billion, contributing to the lower operating income. Notwithstanding this environment, foreign exchange loss remains under firm control by management.

Net profit in the reported period was also impacted by increased financing costs due to higher bank borrowings, as well as less favorable performance from our associated companies.

In 9M15, EBITDA reached Rp 305 billion, down from Rp 417 billion in 9M14. The decrease was primarily due to the lower other income on the sale of an investment undertaken in line with the Company's plan to focus on its core business as described earlier.

INVESTOR UPDATE

Regarding the market volatility that happened recently and referring to the *Surat Edaran OJK No.22/SEOJK.04/2015*, the Company decided to conduct the shares buyback to deal with this unfavorable situation.

The period started from 1 October until the end of this year.



FINANCIAL HIGHLIGHTS

CONSOLIDATED INCOME STATEMENT

| in Billion IDR | 9M15 | 9M14 | YoY% | 3Q15 | 2Q15 | QoQ% |
|---|---------------|---------------|---------------|---------------|---------------|----------------|
| Revenue | 4,839 | 4,341 | 11.47 | 1,515 | 1,561 | -2.90 |
| Gross Profit | 812 | 756 | 7.38 | 252 | 273 | -7.73 |
| Gross Profit Margin | 16.77% | 17.41% | -0.64 | 16.63% | 17.50% | -0.87 |
| Selling, general and administrative expenses | -552 | -515 | 7.07 | -185 | -193 | -4.10 |
| Forex Gain (Loss) | -15 | -6 | 148.35 | 4 | -4 | -196.76 |
| Other Income (Expenses) | 4 | 108 | -95.95 | 1 | 2 | -53.53 |
| Operating Income | 249 | 342 | -27.26 | 72 | 78 | -8.16 |
| Operating Income Margin | 5.14% | 7.88% | -2.74 | 4.73% | 5.00% | -0.27 |
| Profit Before Income Tax | 80 | 238 | -66.29 | 1 | 25 | -94.52 |
| Total Comprehensive Income | 246 | 223 | 10.53 | 39 | 89 | -55.89 |
| Profit for The Year Attributable to Owners of the Parent Entity | 24 | 148 | -83.50 | -14 | 7 | -293.05 |
| Net Margin | 0.51% | 3.42% | -2.91 | 0.95% | 0.48% | 0.47 |
| EBITDA* | 305 | 417 | -26.69 | 77 | 99 | -21.74 |
| USD : IDR Exchange Rate | | | | | | |
| Average Rate** | 13,361 | 11,654 | | 13,361 | 12,966 | |
| Ending Rate | 14,657 | 12,212 | | 14,657 | 13,332 | |
| * EBITDA does not include foreign exchange gains or losses for the relevant period | | | | | | |
| ** Average Rate is defined as the average closing rate at the end of each day for the relevant period | | | | | | |



FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEET

| in Billion IDR | As of 30-Sept- 2015 | As of 30-Sept- 2014 | YoY% | As of 30-Sept- 2015 | As of 30-June- 2015 | QoQ% |
|------------------------------|---------------------------|---------------------------|--------------|---------------------------|---------------------------|--------------|
| Cash & Equivalent | 420 | 122 | 243.58 | 420 | 104 | 302.60 |
| Short Term Investments – net | 25 | 13 | 98.33 | 25 | 24 | 5.33 |
| Trade Receivables | 1,239 | 984 | 25.85 | 1,239 | 1,189 | 4.18 |
| Inventories | 919 | 784 | 17.30 | 919 | 895 | 2.68 |
| Others | 492 | 339 | 45.15 | 492 | 355 | 38.77 |
| Current Assets | 3,095 | 2,242 | 38.06 | 3,095 | 2,567 | 20.57 |
| Fixed Assets | 1,480 | 1,149 | 28.78 | 1,480 | 1,407 | 5.20 |
| Others | 1,218 | 977 | 24.63 | 1,217 | 1,179 | 3.26 |
| Non-Current Assets | 2,698 | 2,126 | 26.87 | 2,698 | 2,586 | 4.31 |
| Total Assets | 5,793 | 4,368 | 32.61 | 5,793 | 5,153 | 12.41 |

| in Billion IDR | As of 30-Sept- 2015 | As of 30-Sept- 2014 | YoY% | As of 30-Sept- 2015 | As of 30-June- 2015 | QoQ% |
|---------------------------------------|---------------------------|---------------------------|--------------|---------------------------|---------------------------|--------------|
| Bank Borrowings | 1,680 | 636 | 164.15 | 1,680 | 1,072 | 56.66 |
| Trade Payables | 1,055 | 838 | 25.95 | 1,055 | 1,055 | -0.02 |
| Leasing / Bank | 86 | 75 | 15.47 | 86 | 70 | 23.66 |
| Others | 187 | 202 | -7.56 | 187 | 209 | -10.83 |
| Current Liabilities | 3,008 | 1,750 | 71.85 | 3,008 | 2,407 | 24.98 |
| Bond/Leasing/Bank | 877 | 931 | -5.76 | 877 | 881 | -0.39 |
| Others | 141 | 121 | 16.45 | 141 | 135 | 4.28 |
| Non-Current Liabilities | 1,018 | 1,052 | -3.21 | 1,018 | 1,016 | 0.23 |
| Equity | 1,767 | 1,566 | 12.81 | 1,767 | 1,731 | 2.09 |
| Total Liabilities & Equity | 5,793 | 4,368 | 32.61 | 5,793 | 5,153 | 12.41 |



Financial Highlights

Working Capital Cycle

| in Billion IDR | 9M15 | 9M14 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Trade Receivables (T/R) | 1,239 | 984 | 1,127 | 1,143 | 942 | 1,049 |
| T/R Days | 69 | 61 | 69 | 72 | 55 | 68 |
| Inventories | 919 | 784 | 897 | 891 | 818 | 1,009 |
| Inventory Days | 62 | 59 | 66 | 67 | 55 | 75 |
| Trade Payables (T/P) | 1,055 | 838 | 1,027 | 1,133 | 892 | 995 |
| T/P Days | 71 | 63 | 76 | 85 | 60 | 74 |
| Working Capital – Trade | 1,103 | 930 | 997 | 901 | 868 | 1,063 |
| (T/R + Inv – T/P) days | 60 | 57 | 59 | 54 | 50 | 69 |

Key Performance Ratio

| | 9M15 | 9M14 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------|-------|-------|-------|-------|----------|-------|
| Asset Growth (%) | 24.08 | -3.61 | 3.02 | 11.77 | 0.36 | 12.51 |
| Revenue Growth (%) | 11.47 | 2.94 | 2.67 | -7.70 | 12.38 | 41.71 |
| Gross Margin (%) | 16.77 | 17.41 | 17.31 | 16.30 | 13.19 | 12.24 |
| Operating Margin (%) | 5.14 | 7.88 | 7.10 | 4.85 | 4.32 | 3.66 |
| EBITDA */Net Int. Exp. ** (X) | 2.50 | 4.55 | 4.24 | 5.19 | 3.30 | 2.64 |
| Net Debt ***/Equity (X) | 1.26 | 0.97 | 1.03 | 1.13 | 1.50 | 1.86 |
| Net Debt ***/EBITDA* (X) | 5.46 | 2.74 | 3.04 | 2.62 | 4.01 | 5.96 |
| Current Ratio (X) | 1.03 | 1.28 | 1.20 | 1.14 | ****0.82 | 1.04 |

* EBITDA does not include foreign exchange gains or losses for the relevant period

** Net Interest Expense is defined as Interest Expense less Interest Income

*** Net Debt is defined as Total Interest Bearing Loans less Cash & Cash Equivalents

**** The Current Ratio includes the Company's Bond III/2008 obligations which matured in March 2013



Share Price History



| | |
|-----------------------------|--------|
| Share(millions) | 1,560 |
| Price in 2015, Sept 30 (Rp) | 438.00 |
| Price / Earning (x) | 21.11 |
| Dividend Yield (%) | 3.88 |
| ROE (%) | 1.85 |
| 52wk High (Rp) | 962.50 |
| 52wk Low (Rp) | 420.00 |
| EPS (in Millions Rp) | 16 |



About LTLS

Established in 1951, **PT LAUTAN LUAS Tbk** is a distributor and manufacturer of basic and specialty chemicals. The Company represents over 100 international principals, distributing over 1,000 chemical products to more than 2,000 industrial customers throughout Indonesia and the Asia Pacific region.

In addition to the Jakarta headquarter, the Company operates five branches and seven representative offices located in various major cities throughout the archipelago, including a regional office in Singapore that oversees company operations in China, Thailand, and Vietnam.

In manufacturing, the Company currently has stakes in seventeen production facilities in Indonesia, two facilities in China, and one in Vietnam.

Its Support & Services business comprise of three subsidiaries that were previously the Company's internal departments, offering supply chain, IT, and laboratory services.

For more information, please
contact:
Investor Relations
Eurike Hadijaya
Investor.relations@lautan-luas.com
+62 21 5369 6280

UPCOMING EVENT

November 10th, 2015
Investor Summit & Capital Market
Expo 2015
At Indonesia Stock Exchange

