



INVESTOR NEWSLETTER

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INVESTOR UPDATE

As part of efficiency efforts, **PT LAUTAN LUAS Tbk** merged its subsidiaries **PT Metabisulphite Nusantara**, **PT White Oil Nusantara** and **PT Dunia Kimia Jaya** into a single entity, named **PT Dunia Kimia Jaya**. Effective per January 2017. The Company expects that the merger of those three subsidiaries will result in improved performance in terms of the management of financial, human resources, logistics, and administration aspects. In addition, planning for production line will be more efficient as well as closer to the customers, being located in three major industrial areas in Indonesia, namely Cikarang (Bekasi), Medan and Gresik (Surabaya).



FINANCIAL HIGHLIGHTS

PT LAUTAN LUAS Tbk is pleased to announce its full year 2016 results as follows:

Despite the domestic and regional economic environment, Lautan Luas (LTLS) posted full year 2016 revenue of IDR 6,438 billion, decreasing slightly by 0.43% if compared to the previous year result of IDR 6,466 billion. The decrease was due to the impact of adjustment to the Company's product mix. The impact of these adjustments is seen in the increasing of gross margin as a percentage of revenue in 2016.

Operating income increasing from the IDR 327 billion in 2015 into IDR 342 billion in 2016 or 4.49% higher in the prior year. The increase was due to a combination of better gross profit margin with moderate increases in general and administrative expenses.

The profit attributable to the parent entity increased sharply by IDR 60 billion or 1,377.34% over the previous year. The increase was driven mainly by improvement of working capital and operating cash flow. Furthermore, improvement of affiliate performance also be an impact of increasing this figure.

During the current year, EBITDA IDR 468 billion, up by 14.71% compared to the previous year result of IDR 408 billion.



FINANCIAL HIGHLIGHTS

CONSOLIDATED INCOME STATEMENT

| in Billion IDR | FY16 | FY15 | YoY% | 4Q16 | 3Q16 | QoQ% |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|
| Revenue | 6.438 | 6.466 | -0,43 | 1.651 | 1.714 | (3,67) |
| Gross Profit | 1.153 | 1.084 | 6,28 | 304 | 297 | 2,21 |
| Gross Profit Margin | 17,90% | 16,77% | 1,13 | 18,41% | 17,33% | 1,08 |
| Selling, general and administrative expenses | (788) | (747) | 5,47 | (199) | (204) | (2,51) |
| Forex Gain (Loss) | (44) | (22) | 100,00 | (56) | 14 | 500,00 |
| Other Income (Expenses) | 21 | 12 | 75,00 | 2 | 4 | (50,00) |
| Operating Income | 342 | 327 | 4,49 | 51 | 111 | (54,35) |
| Operating Income Margin | 5,31% | 5,06% | 0,25 | 3,07% | 6,49% | (3,42) |
| Profit Before Income Tax | 141 | 77 | 83,44 | 8 | 65 | (87,32) |
| Total Comprehensive Income | 74 | 157 | -52,83 | (69) | 50 | (237,58) |
| Profit for The Year Attributable to Owners of the Parent Entity | 60 | 4 | 1.377,34 | 0 | 27 | (99,64) |
| Net Margin | 0,93% | 0,06% | 0,87 | 0,01% | 1,58% | (1,57) |
| EBITDA* | 468 | 408 | 14,71 | 135 | 119 | 13,45 |
| USD : IDR Exchange Rate | | | | | | |
| Average Rate** | 13.309 | 13.457 | | 13.309 | 13.329 | |
| Ending Rate | 13.436 | 13.795 | | 13.436 | 12.998 | |

* 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 31-Dec-2016 | As of 31-Dec-2015 | YoY% | As of 31-Dec-2016 | As of 30-Sept-2016 | QoQ% |
|------------------------------|-------------------|-------------------|---------------|-------------------|--------------------|---------------|
| Cash & Equivalent | 69 | 120 | (42,57) | 69 | 59 | 17,19 |
| Short Term Investments – net | 10 | 24 | (58,31) | 10 | 10 | - |
| Trade Receivables | 1.488 | 1.333 | 11,58 | 1.488 | 1.434 | 3,74 |
| Inventories | 778 | 900 | (13,48) | 778 | 800 | (2,72) |
| Others | 288 | 272 | 6,05 | 288 | 513 | (43,77) |
| Current Assets | 2.633 | 2.649 | (0,59) | 2.633 | 2.816 | (6,48) |
| Fixed Assets | 1.864 | 1.589 | 17,28 | 1.864 | 1.752 | 6,38 |
| Others | 1.161 | 1.155 | 0,53 | 1.161 | 1.205 | (3,65) |
| Non-Current Assets | 3.025 | 2.744 | 10,23 | 3.025 | 2.957 | 2,30 |
| Total Assets | 5.658 | 5.393 | 4,91 | 5.658 | 5.773 | (1,99) |

| in Billion IDR | As of 31-Dec-2016 | As of 31-Dec-2015 | YoY% | As of 31-Dec-2016 | As of 30-Sept-2016 | QoQ% |
|---------------------------------------|-------------------|-------------------|---------------|-------------------|--------------------|---------------|
| Bank Borrowings | 1.114 | 1.338 | (16,75) | 1.114 | 1.049 | (6,20) |
| Trade Payables | 1.249 | 1.146 | 8,95 | 1.249 | 1.285 | -2,81 |
| Leasing / Bank | 159 | 87 | 82,68 | 159 | 164 | (3,09) |
| Others | 155 | 156 | -0,60 | 155 | 190 | -18,51 |
| Current Liabilities | 2.677 | 2.727 | (1,86) | 2.677 | 2.688 | (0,42) |
| Bond/Leasing/Bank | 1.117 | 866 | 28,95 | 1.117 | 1.107 | 0,90 |
| Others | 186 | 180 | 3,04 | 186 | 218 | (14,81) |
| Non-Current Liabilities | 1.303 | 1.046 | 24,49 | 1.303 | 1.325 | (1,68) |
| Equity | 1.679 | 1.620 | 3,67 | 1.679 | 1.760 | (4,60) |
| Total Liabilities & Equity | 5.658 | 5.393 | 4,91 | 5.658 | 5.773 | (1,99) |

FINANCIAL HIGHLIGHTS

WORKING CAPITAL CYCLE

| in Billion IDR | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Trade Receivables (T/R) | 1.488 | 1.333 | 1.127 | 1.143 | 942 |
| T/R Days | 83 | 74 | 69 | 72 | 55 |
| Inventories | 778 | 900 | 897 | 891 | 818 |
| Inventory Days | 53 | 60 | 66 | 67 | 55 |
| Trade Payables (T/P) | 1.249 | 1.146 | 1.027 | 1.133 | 892 |
| T/P Days | 85 | 77 | 76 | 85 | 60 |
| Working Capital – Trade | 1.017 | 1.087 | 997 | 901 | 868 |
| (T/R + Inv – T/P) days | 51 | 58 | 59 | 54 | 50 |

KEY PERFORMANCE RATIO

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------------------|-------|-------|-------|-------|----------|
| Asset Growth (%) | 4,91 | 15,37 | 3,02 | 11,77 | 0,36 |
| Revenue Growth (%) | -0,43 | 9,81 | 2,67 | -7,70 | 12,38 |
| Gross Margin (%) | 17,90 | 16,77 | 17,31 | 16,30 | 13,19 |
| Operating Margin (%) | 5,31 | 5,04 | 7,10 | 4,85 | 4,32 |
| EBITDA */Net Int. Exp. ** (X) | 3,12 | 2,25 | 4,24 | 5,19 | 3,30 |
| Net Debt ***/Equity (X) | 1,38 | 1,34 | 1,03 | 1,13 | 1,50 |
| Net Debt ***/EBITDA* (X) | 4,95 | 5,32 | 3,04 | 2,62 | 4,01 |
| Current Ratio (X) | 0,98 | 0,97 | 1,20 | 1,14 | ****0,82 |

* 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 2016, Dec 30 (Rp) | 350 |
| Price / Earning (x) | 8,97 |
| Dividend Yield (%) | - |
| ROE (%) | 3,58 |
| 52wk High (Rp) | 530,00 |
| 52wk Low (Rp) | 310,00 |
| EPS (in Millions Rp) | 40 |



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 basic and specialty chemical products to more than 2,000 industrial customers throughout Indonesia and the Asia Pacific region.

In addition to the Jakarta headquarters, the Company operates five branches and six 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 fourteen 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.

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