



***Bakrie &
Brothers***



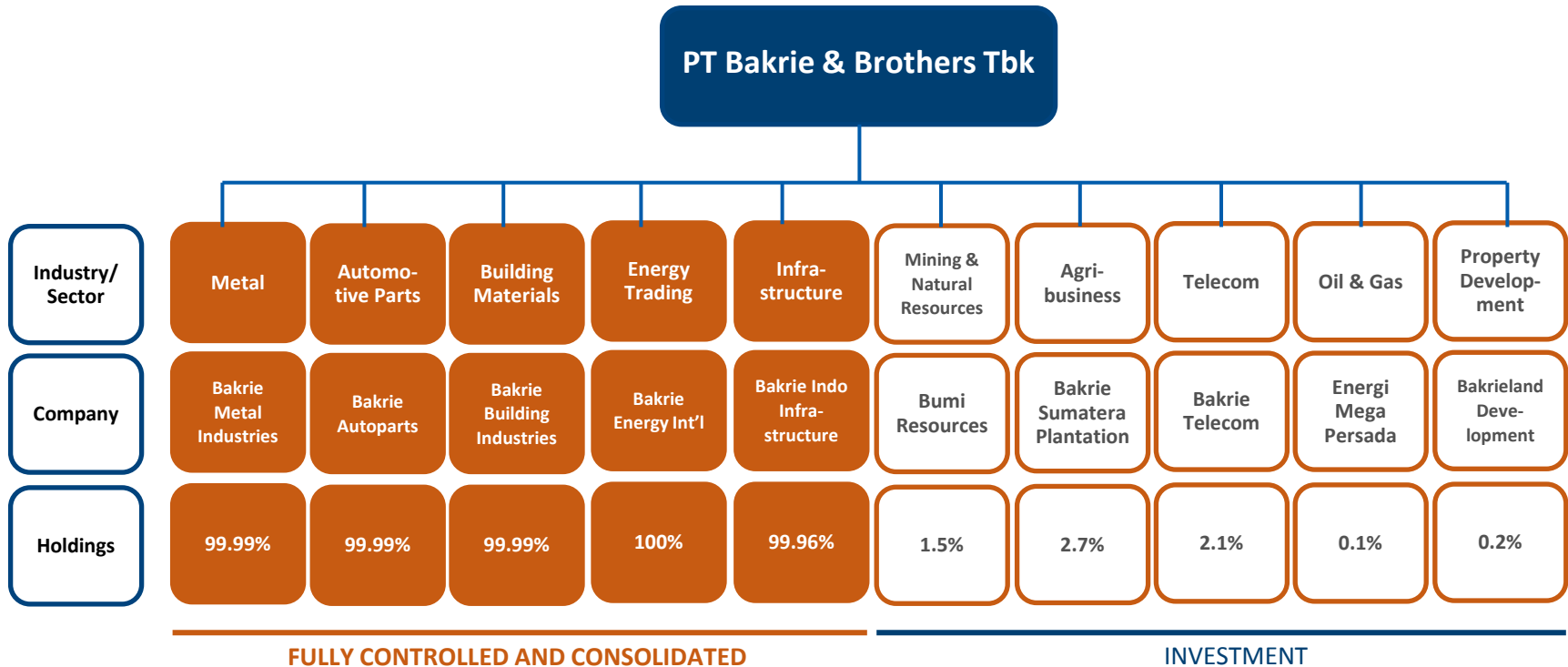
MANAGEMENT PRESENTATION

September 2016

AGENDA

- Financial Updates
- Business Updates
- Portfolio Performance
- Strategic Initiatives
- Appendix

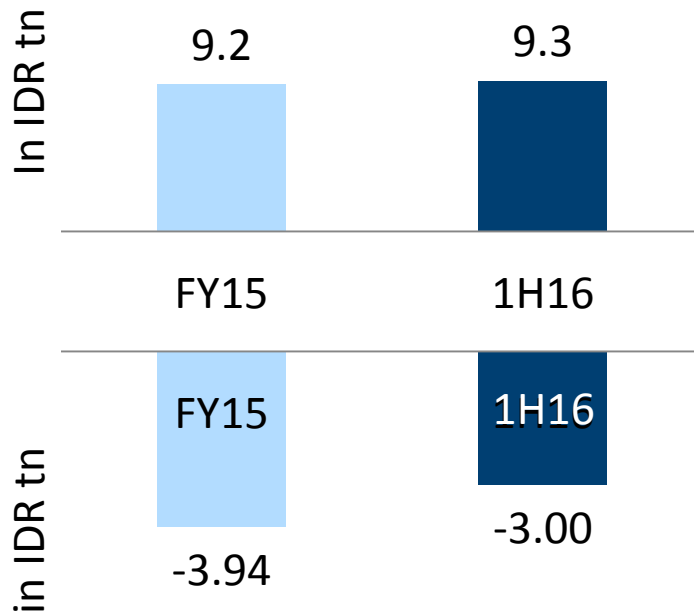
PORTFOLIO OF PUBLICLY TRADES SHARES AND PRIVATELY HELD COMPANIES



**as of June 30, 2016*

FINANCIAL PERFORMANCE – B/S

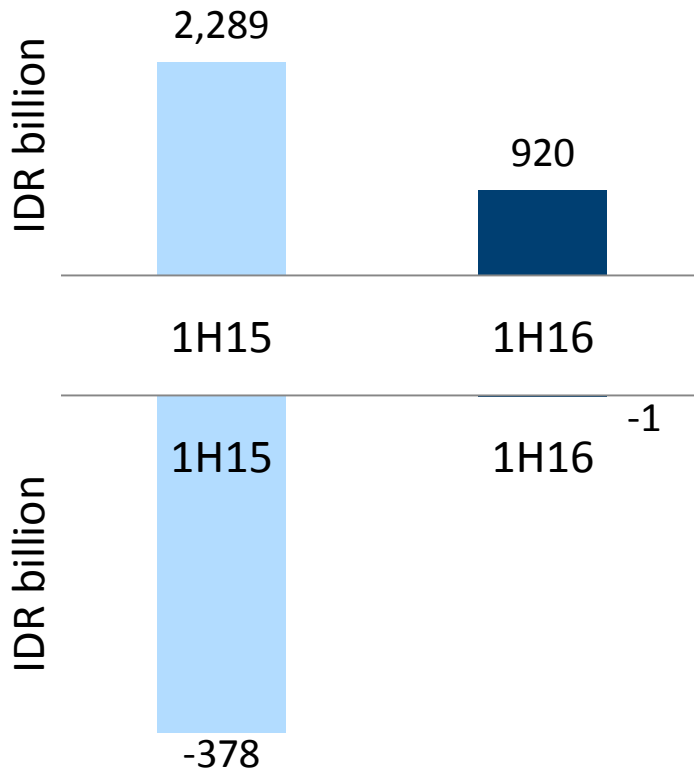
(consolidated – in IDR trillion)



- **Assets** were relatively stable in first half of 2016.
- **Equity deficiency** was improve to Rp 3 tn at the end of first half of 2016.

FINANCIAL PERFORMANCE – P&L

(consolidated – in IDR billion)



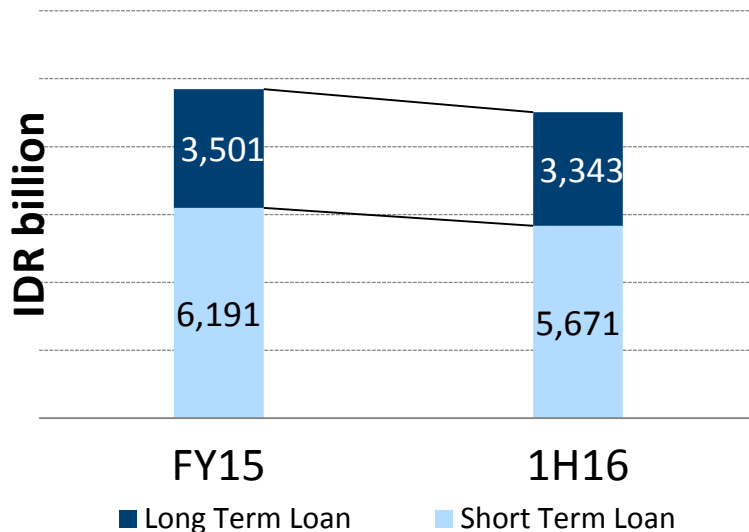
- **Revenue** decreased by 60% in first half of 2016.
- This was mostly due to decline of demand in automotive, building materials and metal businesses.

- **Profit (loss) attributable to owners of parent** significantly increase in first half of 2016.
- This was mainly because the Company recorded gain on forex.

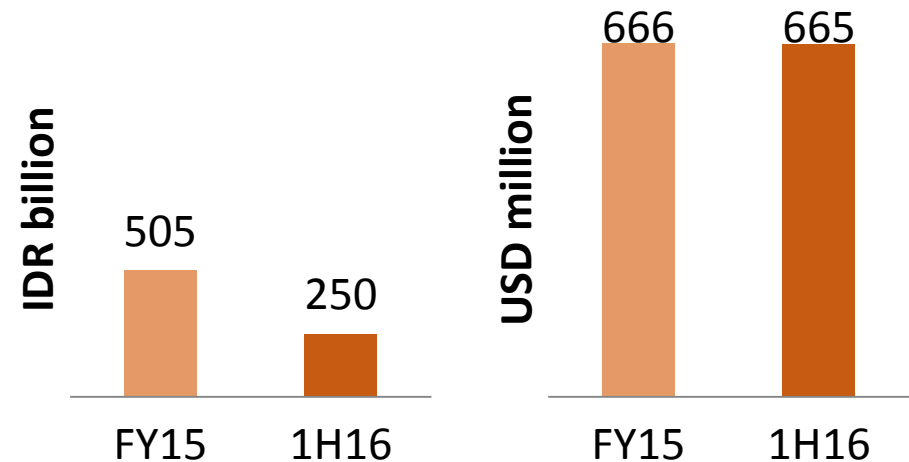
DEBT STRATEGY

(Parent only)

Long Term vs. Short Term



Total Debt IDR and USD



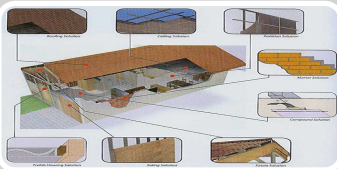
- **Total Loan** decreased by IDR 678 billion or 7%
- **Total Loan** in IDR decreased by IDR 255 billion or 50%
- **Total Loan** in USD is relatively stable, decreased by USD 1 million

BUSINESS UPDATES ON PRIVATELY HELD COMPANIES



Bakrie Autoparts

- The pioneer in grey & ductile casting iron products for OEM automotive components in Indonesia..
- Major supplier of components for domestic Mitsubishi and Hino commercial car with plan to expand its current replacement market.
- In the near future BA plans to tap into passenger vehicle to further expand its market.



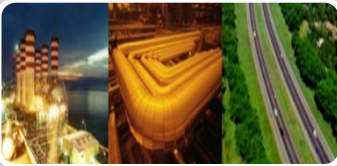
Bakrie Building Industries

- A producer of fiber-cement products for domestic and export market.
- Held approximately 21% market share in the domestic roof and ceiling market with 80 strong and loyal distributor network.
- Expanding its product portfolio to offer energy efficient building material.



Bakrie Metal Industries

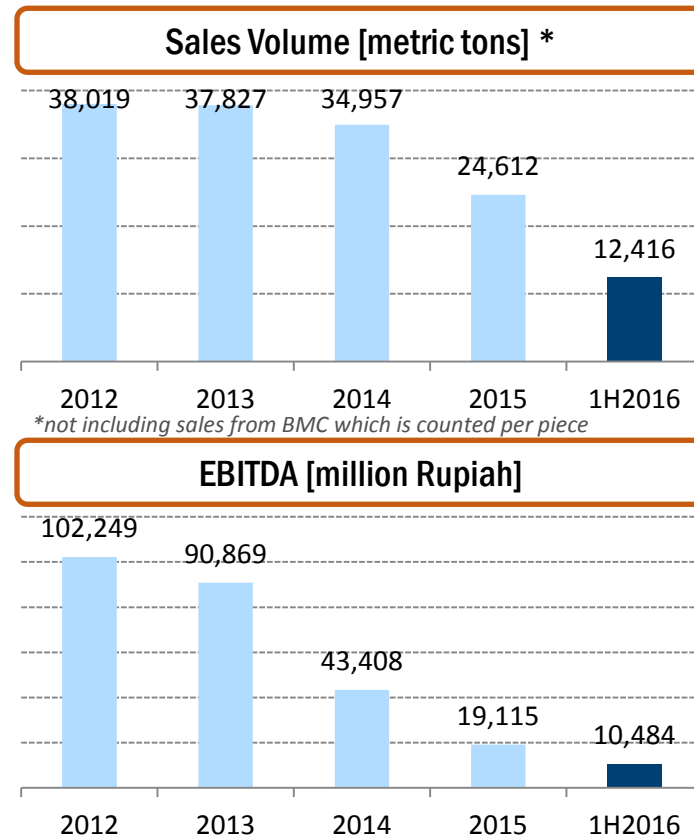
- Specializing in steel fabrication and civil engineering services to diversified sectors.
- Extensive experience in handling major EPC projects for offshore and onshore facilities.
- Produces small to medium steel pipes for oil & gas distribution, construction and water pipe.
- Held approximately 60% of local pipe market share with major oil & gas customers



Bakrie Indo Infrastructure (BIIN)

- Bakrie Power specializing in power plant development, currently constructing 3x18 MW and power plant 2x660 MW power plant
- Bakrie Oil & Gas Infrastructure; specializing in gas pipeline infrastructure, currently operating 200km offshore gas pipeline
- Bakrie Toll Indonesia; specializing in developing toll road, currently constructing 26km urban toll road

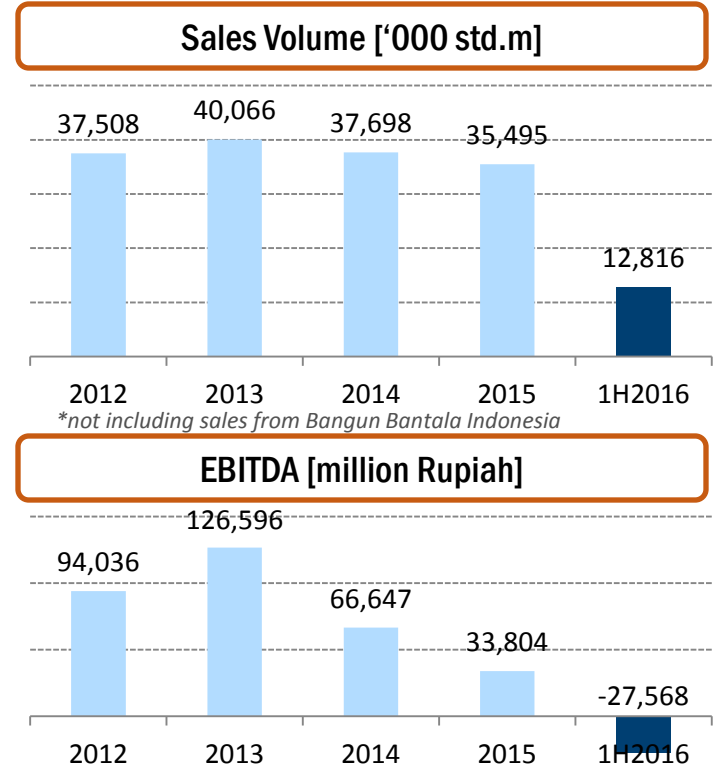
Products	<ul style="list-style-type: none"> OEM supplier for automotive components such as: brake drums, fly wheels, disc brakes, hubs, clutch housing, etc. Customer includes Mitsubishi and Hino.
Performance	<ul style="list-style-type: none"> Sales revenue decreased by 8% in 2014 and decreased by 30% in 2015, which reflects the slowing down of automotive industry. EBITDA margin approximately 3.3% for 2015
Prospect	<ul style="list-style-type: none"> Automotive potential growth inline with income per capita growth. To further improve its performance, BA plans to tap into passenger vehicle market as commercial vehicle only comprises of 26% domestic market share in 2015. ⁽¹⁾ In 2015, sales of motor vehicle only reached 1 million unit annually, a significant drop from last year's sales of over 1.2 million unit ⁽¹⁾.



(1) GAIKINDO

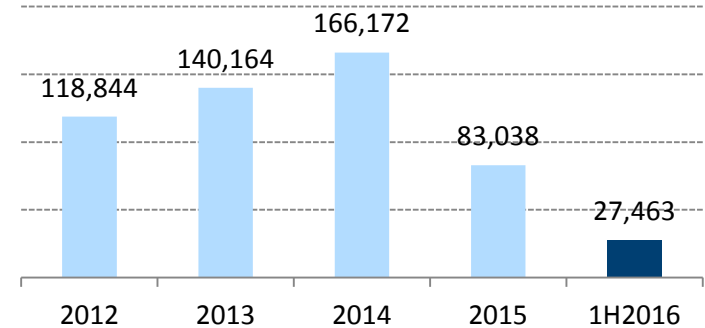
BAKRIE BUILDING INDUSTRIES

Products	<ul style="list-style-type: none"> Fiber Cement products under well known 'HARFLEX' brand for roofing and "Versaboard" for ceiling and partition. Expanding capacities and product portfolio.
Performance	<ul style="list-style-type: none"> Sales volume decreased by 6% in both 2014 and 2015. EBITDA margin approximately 5.2% in 2015.
Prospect	<ul style="list-style-type: none"> Promising growth potential, particularly in the low income segment of the market. Construction sector was the sixth biggest contributor of Indonesian GDP in 2014⁽¹⁾. In 2015 residential and hotel construction sector grew at 33% and 57% respectively⁽²⁾; these two building construction sectors directly relate to BBI business. Consumer demand shifted from wood-base panel to cement-based panel.

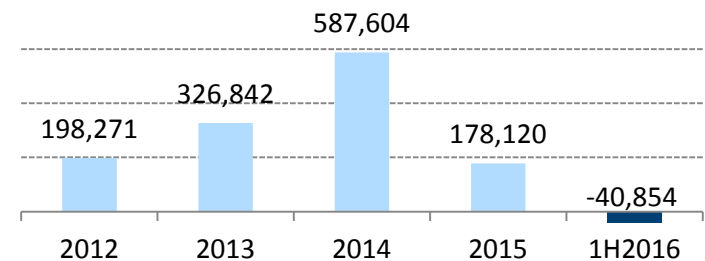


Products	<ul style="list-style-type: none"> Engineering, Fabrication & Construction Services of upstream and downstream facilities for Oil and Gas Industry. Small to medium diameter steel pipes: ERW 0.5in-24in, ISO9002 & API certified. Annual capacity of 20.000 tons of steel structures or 1,500,000 man-hours and 200,000 metric tons of pipe.
Performance	<ul style="list-style-type: none"> Sales volume decreased by 50% in 2015, compared to increase of 19% in 2014. 2015 performance was still bolstered by non-oil and gas market.. Major decrease was caused by weakening demand from oil and gas sector.
Prospect	<ul style="list-style-type: none"> Potential from oil & gas (OG) distribution is declining in line with the national oil lifting statistics. Penetrate further to non-OG market given booming infra sector, as well as broadening captive OG market. Currently gas consumption per capita for Indonesia is 147cu meter per capita, far below Thailand (748) and Malaysia (1024)⁽¹⁾.

Sales Volume [metric tons]



EBITDA [million Rupiah]



(1) CIA World Factbook

GROWTH STRATEGY

Manufacturing Business Units

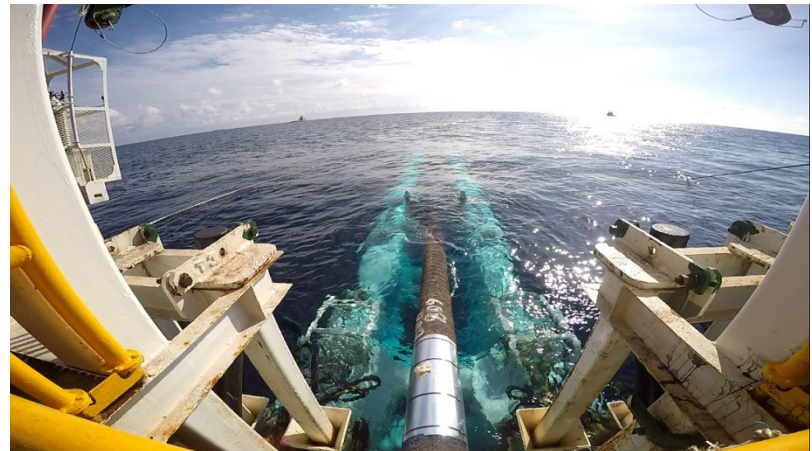
- **Bakrie Autoparts** – increase of production capacity through upgrading of production facility; product portfolio expansion by addition of higher margin products
- **Bakrie Building Industries** – product portfolio expansion by addition of high value added products; expansion of distribution network to shorten distance to customers
- **Bakrie Metal Industries** – addition of product types by establishment of coating plant and metal services laboratory; expansion of non-oil & gas market

GROWTH STRATEGY

Infrastructure Projects Development

Kalija Pipeline 1st Phase

- Collaborating with PT Perusahaan Gas Negara Tbk (PGN)
- Construction was completed on August 21, 2015
- Gas were transported from Kepodang field (Muriah gas field owned by Petronas) to Tambak Lorok Power Plant, 116 mmscfd gas daily



GROWTH STRATEGY

Infrastructure Projects Development

Cimanggis-Cibitung Toll Road

- Collaborating with PT Waskita Toll Road (a subsidiary of PT Waskita Karya Tbk)
- First phase construction begun in September 2015, as well as construction process in Cimanggis interchange



GROWTH STRATEGY

Infrastructure Projects Development

Tanjung Jati A Power Plant 2x660MW

- Collaborating with YTL Jawa Energy BV (a subsidiary of YTL Corporation Berhad)
- Signing of PPA in December 2015
- Currently in investment funding process



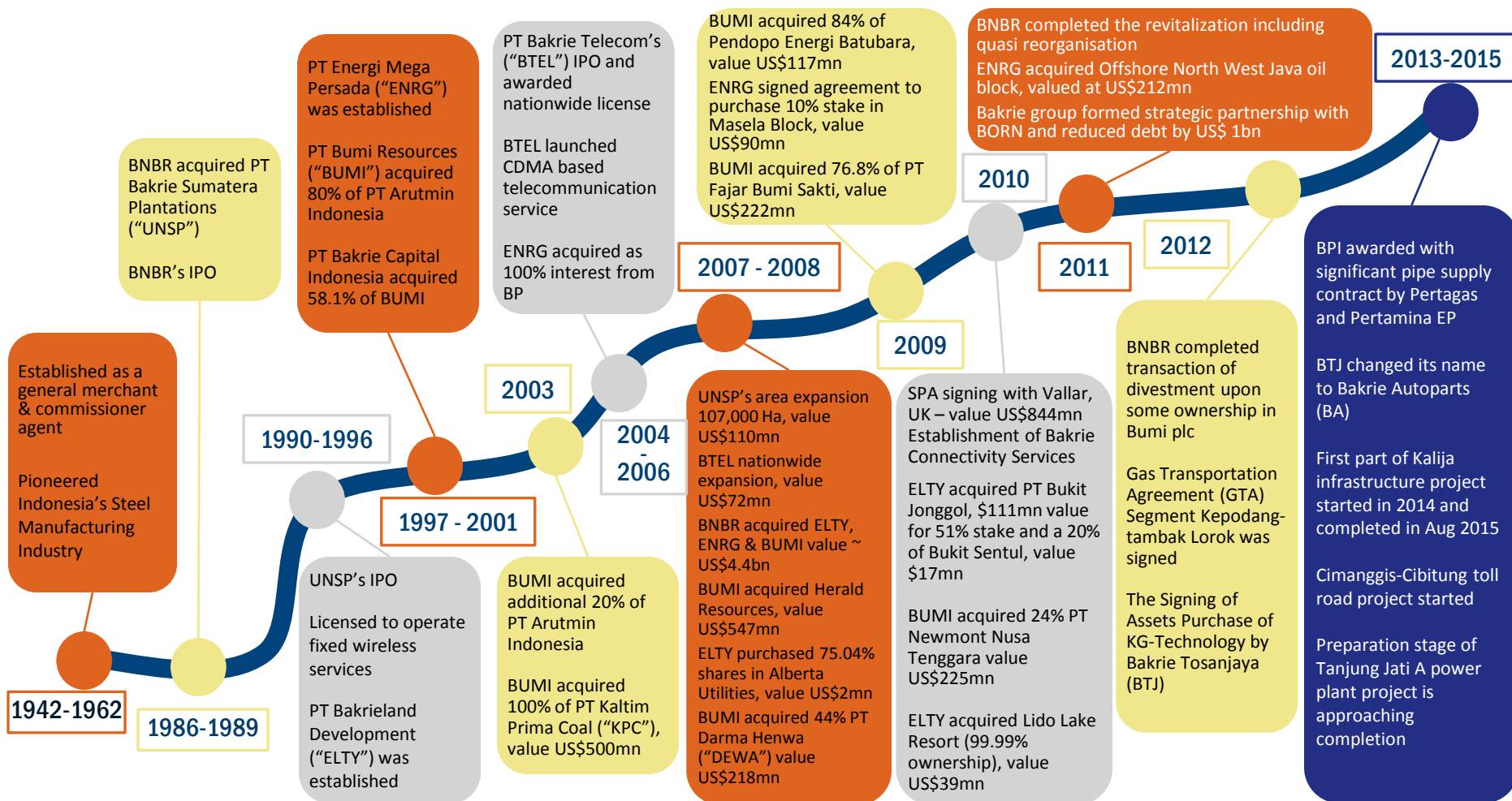
FINANCING OPTIONS

- Monetizing investment in privately held companies;
- Operating cash flow from subsidiaries;
- Divesting listed shares, switch it to the new investment.

APPENDIX



SEVEN DECADES OF BUSINESS VENTURES



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**For further information please contact:
Investor Relations Department**

Indra Ginting – Chief Investor Relations Officer (indra.ginting@bakrie.co.id)

Andini Aritonang – Investor Relations Manager (andini.aritonang@bakrie.co.id)