



**Bakrie &  
Brothers**

# MANAGEMENT PRESENTATION

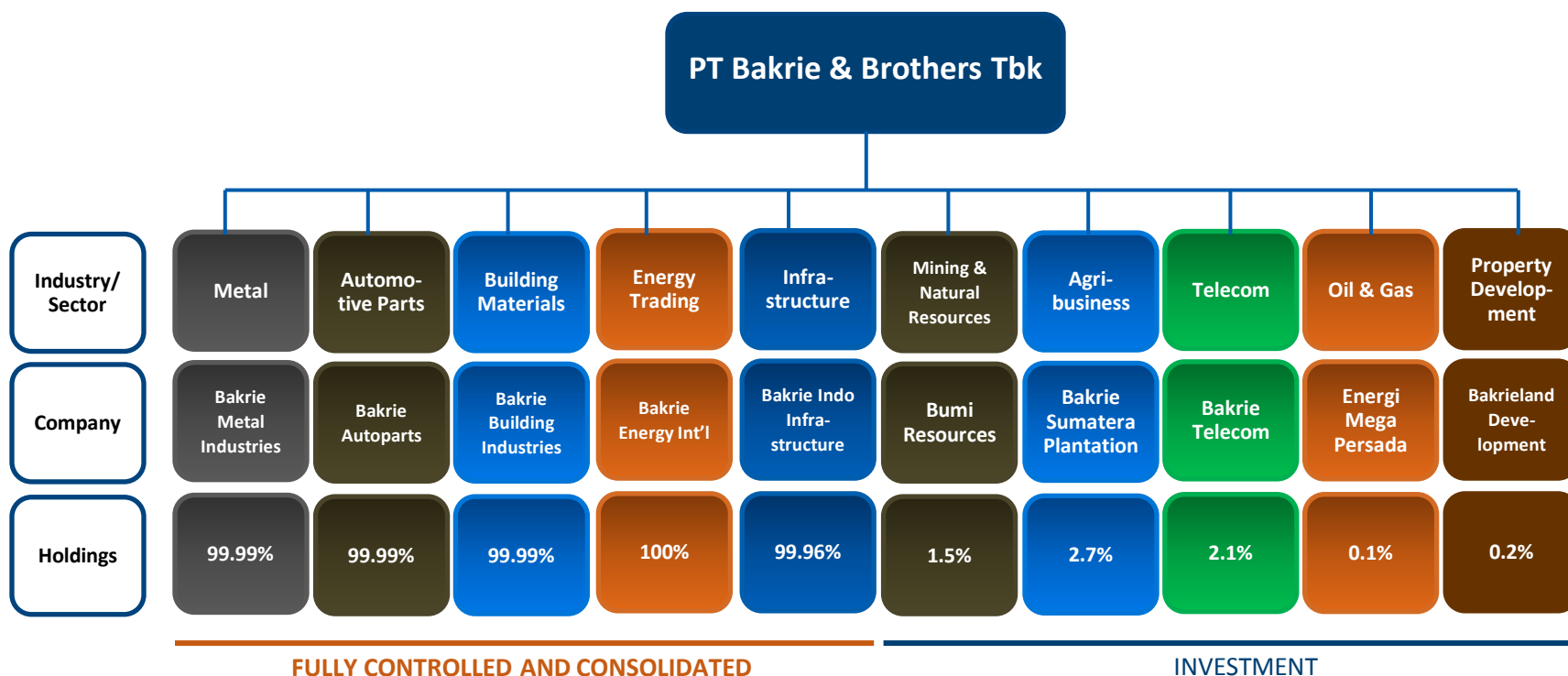
NOVEMBER 2015

# Agenda



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

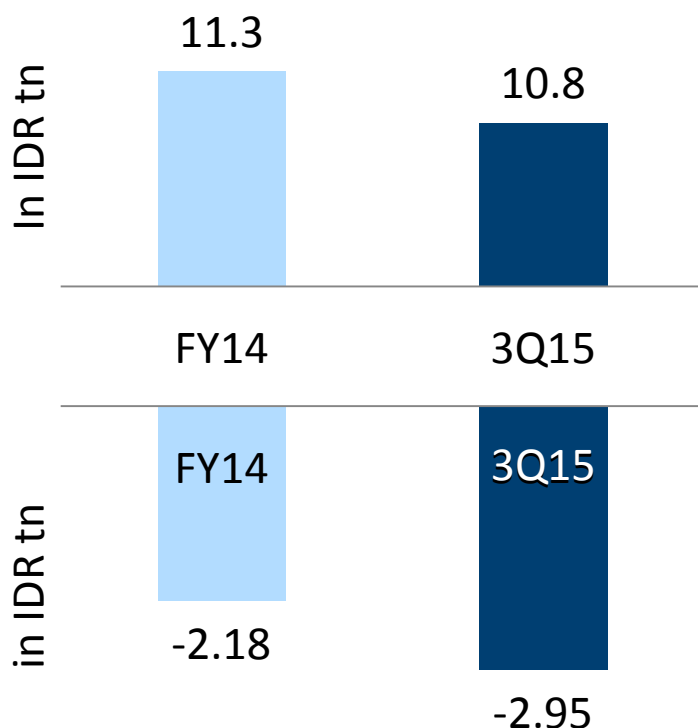
# The Largest Portfolio of Publicly Traded Shares and Privately Held Companies



*\*as of September 30, 2015*

# Financial Performance – B/S

(consolidated – in IDR trillion)



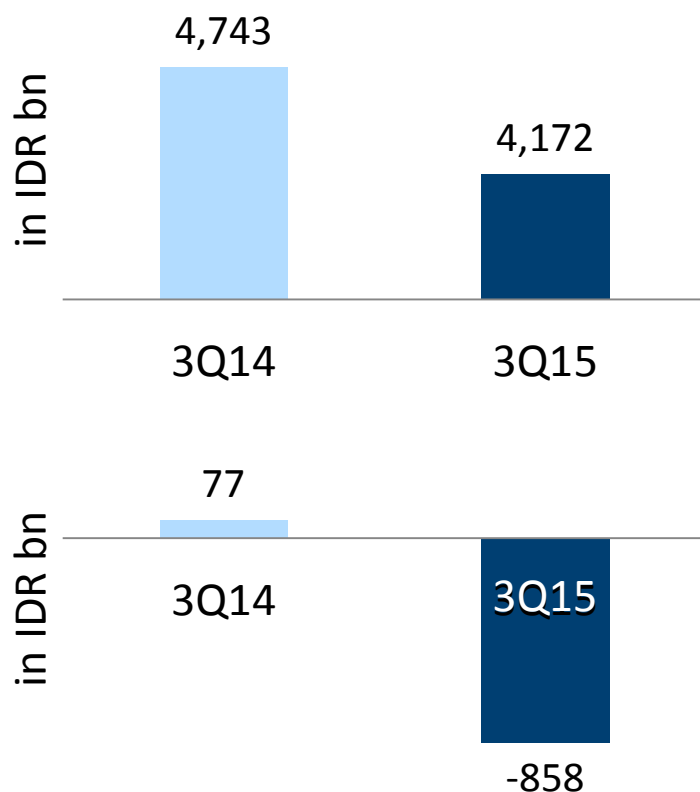
- **Assets** decreased in 3Q2015 which was mostly attributed to decrease of short term investments.

- **Equity deficiency** was negatively impacted by loss on foreign exchange.



# Financial Performance – P&L

(consolidated – in IDR billion)



- **Revenue** decreased by 12% in 3Q2015.
- This was mostly due to decline of demand in automotive, building materials and metal businesses.

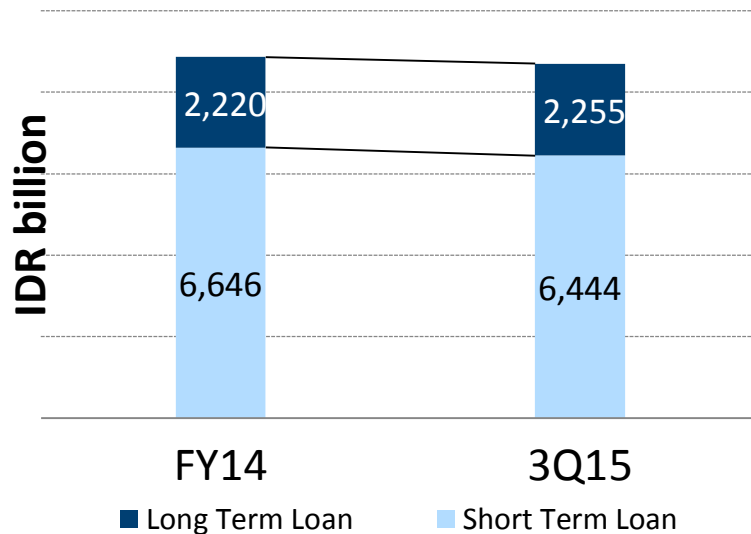
- **Total comprehensive income (loss) attributable to owners of parent** significantly decrease in 3Q2015.
- This was mainly attributed to loss on foreign exchange.

# Debt Strategy

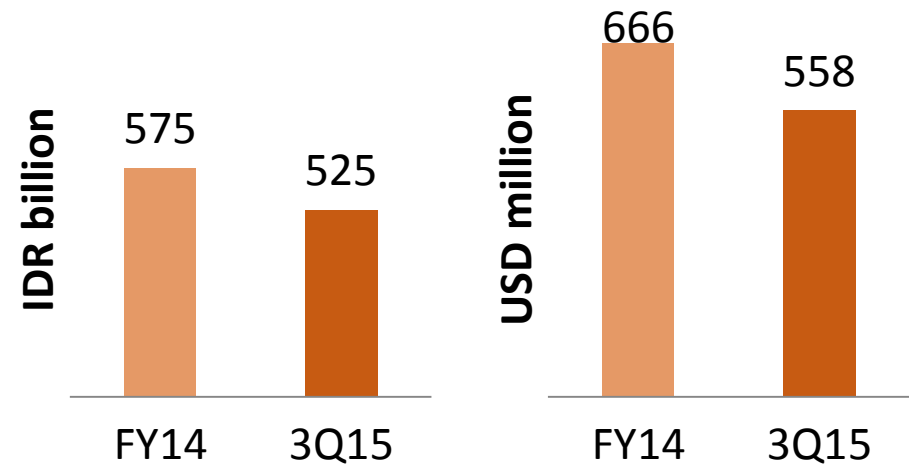
## Debt Level, Refinancing and Retirement (Parent only)



Long Term vs. Short Term



Total Debt IDR and USD



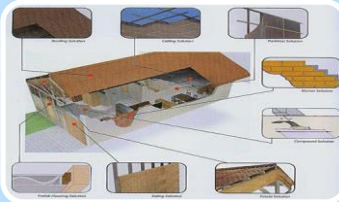
- **Total Loan** decreased by IDR 167 billion or 1.9%
- **Total Loan** in IDR decreased by IDR 50 billion or 8.7%
- **Total Loan** in USD decreased by USD 108 million or 16.2%

# 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

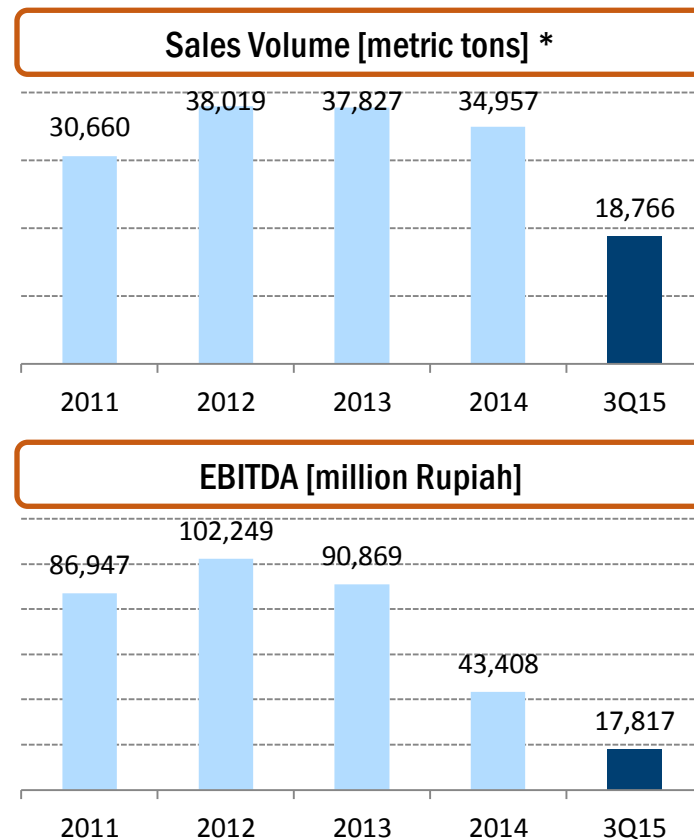
- Specializing in steel fabrication and civil engineering services to diversified sectors.
- Extensive experience in handling major EPC projects for offshore and onshore facilities.
- Produces small to medium steel pipes for oil & gas distribution, construction and water pipe.
- Held approximately 60%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

# Bakrie Autoparts



<b>Products</b>	<ul style="list-style-type: none"> <li>OEM supplier for automotive components such as: brake drums, fly wheels, disc brakes, hubs, clutch housing, etc.</li> <li>Customer includes Mitsubishi and Hino.</li> </ul>
<b>Performance</b>	<ul style="list-style-type: none"> <li>Sales volume moderately grew by CAGR 4% during period of 2010 to 2014.</li> <li>EBITDA margin approximately 6% for 2014</li> </ul>
<b>Prospect</b>	<ul style="list-style-type: none"> <li>Commercial vehicles potential growth was slightly affected as a result of economic decline in 2013, however it remains intact in mining, plantation and infrastructure sectors.</li> <li>To further improve its performance, BA plans to tap into passenger vehicle market as commercial vehicle only comprises of 26% domestic market share in 2014. <sup>(1)</sup></li> <li>In 2015, demand of motor vehicle is predicted to reach 950,000 unit annually, a significant drop from last year's sales of over 1,200,000 unit <sup>(1)</sup>.</li> </ul>

(1) GAIKINDO



\*not including sales from BMC which is counted per piece



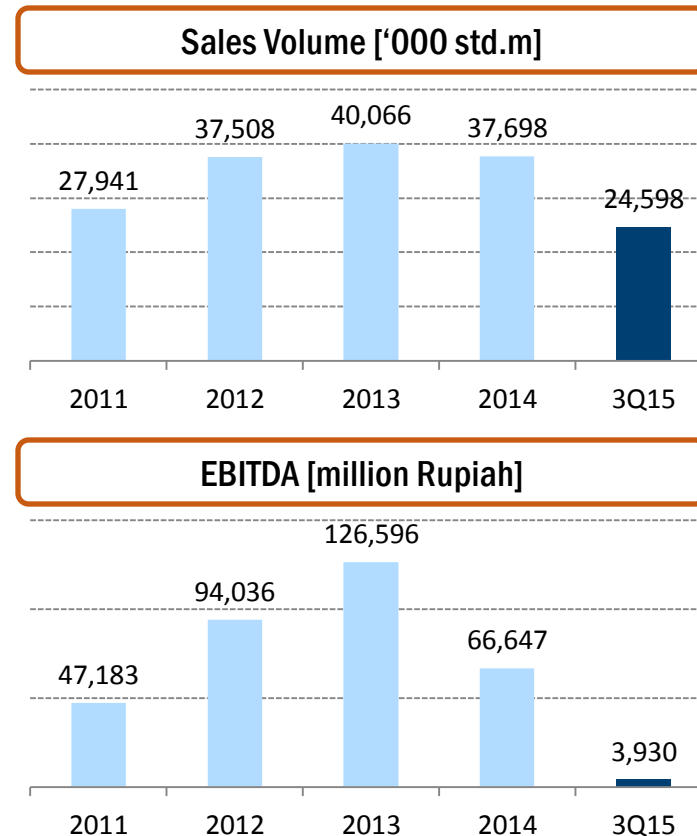
# Bakrie Building Industries



<b>Products</b>	<ul style="list-style-type: none"> <li>Fiber Cement products under well known 'HARFLEX' brand for roofing and "Versaboard" for ceiling and partition.</li> <li>Expanding capacities and product portfolio.</li> </ul>
<b>Performance</b>	<ul style="list-style-type: none"> <li>Sales volume grew with CAGR 10% in 2010-2014.</li> <li>EBITDA margin approximately 10% in 2014.</li> </ul>
<b>Prospect</b>	<ul style="list-style-type: none"> <li>Promising growth potential, particularly in the low income segment of the market.</li> <li>Construction sector was the sixth biggest contributor of Indonesian GDP in 2014<sup>(1)</sup>.</li> <li>In 2015 residential and hotel construction sector grew at 33% and 57% respectively<sup>(2)</sup>; these two building construction sectors directly relate to BBI business.</li> </ul>

(1) BPS

(2) BCI Economics



\*not including sales from Bangun Bantala Indonesia

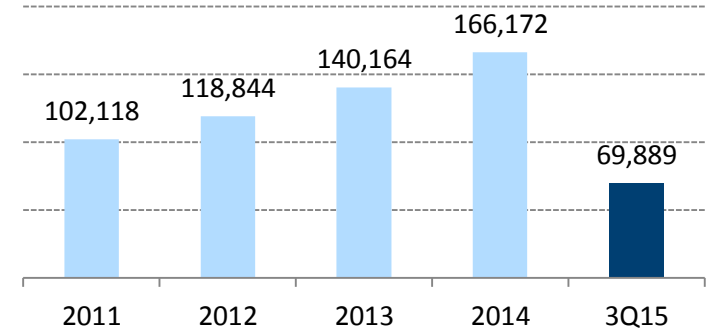
# Bakrie Metal Industries



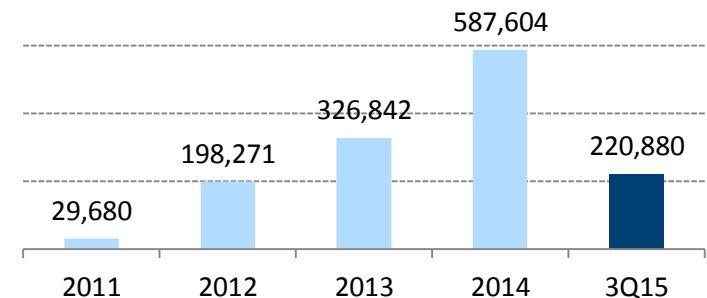
<b>Products</b>	<ul style="list-style-type: none"> <li>Engineering, Fabrication &amp; Construction Services of upstream and downstream facilities for Oil and Gas Industry.</li> <li>Small to medium diameter steel pipes: ERW 0.5in-24in, ISO9002 &amp; API certified. Annual capacity of 20.000 tons of steel structures or 1,500,000 man-hours and 200,000 metric tons of pipe.</li> </ul>
<b>Performance</b>	<ul style="list-style-type: none"> <li>Sales volume increased by CAGR 20% in 2010-2014.</li> <li>EBITDA margin improved for the last three years.</li> <li>Backed with ongoing pipeline project in Java and Sumatera.</li> </ul>
<b>Prospect</b>	<ul style="list-style-type: none"> <li>Potential from oil &amp; gas (OG) distribution is declining in line with the national oil lifting statistics.</li> <li>Penetrate further to non-OG market given booming infra sector, as well as broadening captive OG market.</li> <li>Currently gas consumption per capita for Indonesia is 147cu meter per capita, far below Thailand (748) and Malaysia (1024)<sup>(1)</sup>.</li> </ul>

(1) CIA World Factbook

**Sales Volume [metric tons]**



**EBITDA [million Rupiah]**



# Growth Strategy



## Manufacturing Sector

- Expanding products portfolio
- Increasing production capacity



**Total Building Solution**– BBI provides various high quality building materials and currently develops new products with environmentally friendly basis.



**Oil and Gas Pipe** - BMI through its steel pipe business unit (BPI) produces oil and gas pipe utilized in Arun-Belawan pipeline project.



**Knuckle** – a product of BA for Passenger Car segment which has been exported to Japan, Philippine, Brazil and Venezuela.



**Mooring Tower** – fabricated by BMI for Mobil CEPU, installed at Java Sea (36km North of Tuban).

## Infrastructure Projects

- **PLTU Tanjung Jati A 2x660MW**– preparation process for PPA and financial close
- **Kaliya Pipeline phase 1** – construction phase is completed and gas has been flowed to Tambaklorok
- **Cimanggis-Cibitung Toll Way** – land clearance stage has started and construction process in Cimanggis has started; awaiting groundbreaking by Government

# 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



## 1942-1962

Established as a general merchant & commissioner agent

Pioneered Indonesia's Steel Manufacturing Industry

## 1986-1989

BNBR acquired PT Bakrie Sumatera Plantations ("UNSP")

BNBR's IPO

## 1990-1996

UNSP's IPO

Licensed to operate fixed wireless services

PT Bakrieland Development ("ELTY") was established

## 1997 - 2001

PT Energi Mega Persada ("ENRG") was established

PT Bumi Resources ("BUMI") acquired 80% of PT Arutmin Indonesia

PT Bakrie Capital Indonesia acquired 58.1% of BUMI

## 2003

BUMI acquired additional 20% of PT Arutmin Indonesia

BUMI acquired 100% of PT Kaltim Prima Coal ("KPC"), value US\$500mn

## 2004

PT Bakrie Telecom's ("BTCL") IPO and awarded nationwide license

BTCL launched CDMA based telecommunication service

ENRG acquired as 100% interest from BP

## 2007

UNSP's area expansion 107,000 Ha, value US\$110mn

BTCL nationwide expansion, value US\$72mn

## 2008

BNBR acquired ELTY, ENRG & BUMI value ~ US\$4.4bn

BUMI acquired Herald Resources, value US\$547mn

ELTY purchased 75.04% shares in Alberta Utilities, value US\$2mn

BUMI acquired 44% PT Darma Henwa ("DEWA") value US\$218mn

## 2009

BUMI acquired 84% of Pendopo Energi Batubara, value US\$117mn

ENRG signed agreement to purchase 10% stake in Masela Block, value US\$90mn

BUMI acquired 76.8% of PT Fajar Bumi Sakti, value US\$222mn

## 2010

SPA signing with Vallar, UK – value US\$844mn

Establishment of Bakrie Connectivity Services

ELTY acquired PT Bukit Jonggol, \$111mn value for 51% stake and a 20% of Bukit Sentul, value \$17mn

UNSP acquired PT Domba Mas Inti Agro Perkasa, value US\$400mn

BUMI acquired 24% PT Newmont Nusa Tenggara value US\$225mn

ELTY acquired Lido Lake Resort (99.99% ownership), value US\$39mn

## 2011

BNBR completed the revitalization including quasi reorganisation

ENRG acquired Offshore North West Java oil block, valued at US\$212mn

Bakrie group formed strategic partnership with BORN and reduced debt by US\$ 1bn

## 2012

BNBR completed transaction of divestment upon some ownership in Bumi plc

Gas Transportation Agreement (GTA) Segment Kepodang-tambak Lorok was signed

The Signing of Assets Purchase of KG-Technology by Bakrie Tosanjaya (BTJ)

## 2013-2014

BPI awarded with significant pipe supply contract by Pertamina and Pertamina EP

BTJ changed its name to Bakrie Autoparts (BA)

First part of Kalija infrastructure project started

Cimanggis-Cibitung toll road project started

Preparation stage of Tanjung Jati A power plant project is approaching completion

# Notification and Disclaimer



**Disclaimer:** This presentation has been prepared by PT Bakrie & Brothers Tbk (the "Company") and is only for the information of its investors. None of the information appearing in this presentation may be distributed to the press or other media or reproduced or redistributed in whole or in part in any form at any time.

This presentation is not intended as or forms part of any offer to sell or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, and neither this presentation nor anything contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever.

## **Forward-Looking Statements:**

This presentation may contain forward-looking statements and estimates with respect to the future operations and performance of the Company and its affiliates.

Investors and security holders are cautioned that forward-looking statements are subject to various assumptions, risks and uncertainties, many of which are difficult to predict and are generally beyond the control of the Company. Such assumptions, risks and uncertainties could cause actual results and developments to differ materially from those expressed in or implied by the forward-looking statements.

Accordingly, no representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in this presentation, nor is it intended to be a complete statement or summary of the resources markets or developments referred to in this presentation. It should not be regarded by recipients as a substitute for the exercise of their own judgement.

Neither the Company or any other person assumes responsibility for the accuracy, reliability and completeness of the forward-looking statements contained in this presentation. The forward-looking statements are made only as of the date of this presentation. The Company is under no duty to update any of the forward-looking statements after this date to conform such statements to actual results or developments or to reflect the occurrence of anticipated results or otherwise.

Any opinions expressed in this presentation are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Company as a result of using different assumptions and criterion.

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

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

Andini Aritonang – Investor Relations Manager ( [andini.aritonang@bakrie.co.id](mailto:andini.aritonang@bakrie.co.id) )