



**LONSUM First Semester 2010 FINANCIAL RESULT**

Jakarta, 25 August 2010

PT PP London Sumatra Indonesia Tbk ("Lonsum") today announced its financial result for the period ended June 30, 2010. Lonsum reported consolidated net sales of Rp1.57 trillion, increased by 8.3% from Rp1.45 trillion in first semester 2009, mainly due to higher sales of rubber and "SumBio" oil palm seeds.

Sales contribution in first semester 2010 were as follows: palm products 76%, rubber 18%, seeds 5%, and others 1%, while sales composition in first semester 2009 were as follows: palm products 84%, rubber 12%, seeds 2%, and others 2%.

Despite higher sales, cost of goods sold in first semester 2010 decreased by 3.3% mainly due to lower upkeep & cultivation cost as well as lower crops purchased from Plasma and third parties. Operating expenses also decreased by 12.0% mainly due to lower remuneration expenses. Income from operations increased by 43.4% to Rp570.7 billion from Rp398.1 billion and operating margin improved to 36.4% from 27.5% mainly due to the impact of stronger prices of rubber and improved "SumBio" oil palm seeds sales volume as well as lower operating expenses. Overall, net income increased 45.7% to Rp417.8 billion from Rp286.7 billion.

Nucleus FFB production reached 511.8 thousand tons in first semester 2010, which is 1.6% lower compared to 520.2 thousand tons in first semester 2009. Meanwhile, FFB purchased from Plasma and third parties decreased 20.4% to 170.6 thousand tons. As a result, in first semester 2010, Lonsum produced 159.2 thousand tons of CPO, which is 4.0% lower compared to 165.9 thousand tons in first semester 2009. Rubber production decreased 11.3% to 10,622 tons mainly due to less crop purchased from Plasma and third parties.

Benny Tjoeng, the President Director of Lonsum, quoted "Lonsum's overall production and sales performance have improved in 2Q2010 compared to 1Q2010. We are pleased to achieve 46% increase in net income in first semester 2010 compared to last year and we will continue to focus on operational improvement."

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**About PT PP London Sumatra Indonesia Tbk**

PT PP London Sumatra Indonesia Tbk ("Lonsum") (IDX: LSIP) is a leading oil palm plantation company in Indonesia.

Lonsum was established in 1906, and is one of Indonesia's oldest and largest publicly-listed plantation companies. It operates 38 company-owned estates and 13 plasma estates across North and South Sumatra, East Kalimantan, Java and Sulawesi covering mainly oil palm and rubber.

In April 2009, Lonsum received certification as sustainable palm oil producer for all plantations and facilities in North Sumatra. Lonsum produces approximately 170,000 tons of certified sustainable palm oil (CSPO) per annum. dan fasilitas produksinya di Sumatra Utara. Lonsum memproduksi sekitar 170.000 ton per tahun minyak sawit yang berkelanjutan (CSPO).