



Press Release

LONSUM'S FIRST HALF 2009 FINANCIAL RESULT

Jakarta, 12 August 2009

PT PP London Sumatra Indonesia, Tbk. ("Lonsum") today announced its financial result for the first semester ended 30 June 2009, reporting consolidated net sales of IDR1.4 trillion, declined by 27.7% from IDR2.0 trillion in the same period last year, mainly due to significantly lower prices of palm products and rubber.

In terms of production, Lonsum recorded a 4% increase in its CPO production to 165.9 thousand tons in 1H09 from 159.5 thousand tons in 1H08.

Sales contribution is as follows: palm products: 84%, rubber: 12%, seeds: 2% and others: 2% (1H08: 80%, 14%, 5% and 1%, respectively). Lower contribution of seeds was due to weaker demand in 1H09.

Cost of production was lower by 18.6% in 1H09 as a result of lower crop purchase; as well as lower production cost of nucleus plantation.

Despite lower production costs, gross profit declined 37.5% to IDR602.3 billion from IDR963.8 billion in 1H08 as an impact of weaker prices of palm products and rubber. Gross margin declined to 41.6% from 48.2%.

Operating profit was down 42.9% to IDR398.1 billion from IDR697.5 billion, as an impact of weaker gross profit, in spite of lower operating expenses by 23.3%. Operating profit margin declined to 27.5% from 34.9%. Net profit declined 40.7% to IDR286.7 billion from IDR483.7 billion.

Benny Tjoeng, the President Director of Lonsum, quoted "Success factors to a plantation company are cost control and optimum productivity; and we put serious effort on these aspects".

About PT PP London Sumatra Indonesia, Tbk.

PT PP London Sumatra Indonesia, Tbk. ("Lonsum") (IDX: LSIP) is a leading oil palm plantation 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 14 plasma estates across North and South Sumatra, East and West Java, North and South Sulawesi and East Kalimantan, 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.

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