



Guiding Plantation Companies through Their Sustainable Journey

PwC Indonesia Plantation
Capability Statement

2015

The industry

As the 15th largest country in the world, with 1.9 million km² of land area and arguably some of the best in the world, Indonesia remains a substantial global player in the plantation sector. This sector mainly involves the production of palm oil, rubber, cocoa, and other plantations including copra and coffee.

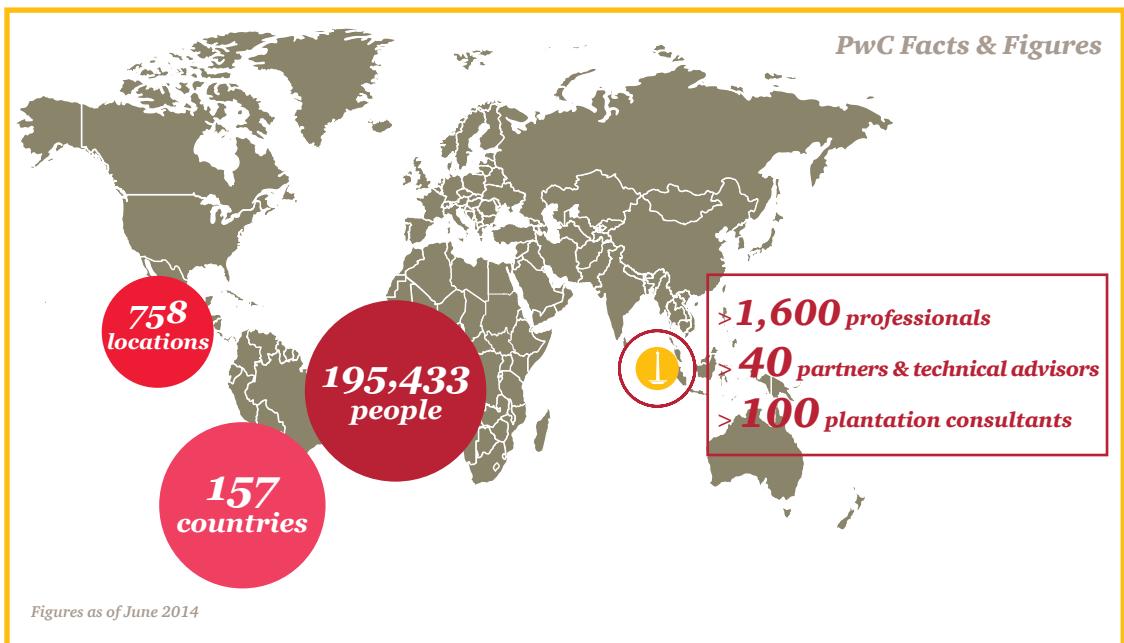
Palm oil is one of the main commodities which makes significant contribution to the country's income. With nearly 10 million hectares of palm oil plantation across the country and over 30 million tons of crude palm oil produced annually, Indonesia has maintained its dominance as the biggest palm oil producer in the world.

Despite the expected growth in demand for palm oil plantations due to the increased usage of crude palm oil (including for biodiesel), the plantation sector continues to face challenges relating to balancing industry growth with increasing environmental and social issues, including land title issues.

Nonetheless, with the strong domestic and global demand for palm oil and other plantation commodities, and with industry support from the government, which focuses on improving the domestic infrastructure and interconnectivity, the plantation sector will continue to be attractive for many players.



Who we are



Our commitment to the plantation industry

The plantation sector is a priority for our firm, as is evidenced by our commitment to provide plantation players with specialist assistance across the spectrum of auditing, accounting, taxation and other professional services. Our focus is on multinational and national institutions in the sector that are facing the most complex business issues and the most challenging opportunities. We add value to these clients by combining a global mindset and local resources with positive action.

We work with a variety of plantation clients, both in public and private sectors

With more than 40 years of experience in Indonesia we have played an integral part in the country's growth and progress. We have done this by working with our clients to help them succeed through both buoyant and challenging economic times. Today we continue to work with large multinationals, public sector entities and Indonesian companies including those in the plantation sector, providing tailored solutions to their complex business issues.

Our plantation credentials speak for themselves

The PwC Plantation industry network assists, advises, and audits many leading international and local businesses including:

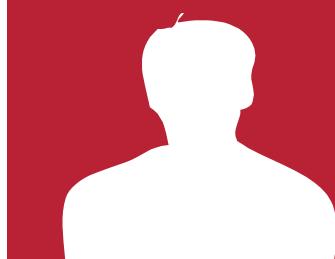
- Agro Hope Sdn Bhd
- PT Astra Agro Lestari Tbk
- PT Evans Indonesia
- Felda Plantations Sdn Bhd
- PT Genting Plantations Nusantara
- Glenealy Plantations (Malaya) Berhad
- PT Gunung Maras Lestari
- PT Green Global Lestari & PT Parna Agromas (LG Plantations Group)
- Ibris Plantation Group
- PT Incasi Raya
- PT Kutai Timber Indonesia
- LG plantations
- PT PP London Sumatra Tbk
- Mados Enterprise Sdn Bhd
- PT Minamas Gemilang (Sime Darby Berhad)
- PT Musim Mas
- PT Nedcoffee Indonesia Makmur Jaya
- PTT Green Energy Pte. Ltd.
- PT Rajawali Corpora
- PT Gandaerah Hendana & PT Inecda (Samsung Plantations Group)
- Sumitomo Forestry Co. Ltd.
- Unico – Desa Plantations Bhd
- Victorian Plantations Corporation
- YPJ Oil Palm Estate Sdn Bhd

“PwC sets the standard in the audit and consulting industry. With a dynamic team and good leadership, PwC has successfully built up a global empire to meet the world’s ever challenging demands.”

“When I asked PwC to give us a solution for our tax problem concerning VAT, PwC gave us a practical solution applicable to our needs.”

“Extremely professional. With PwC, we continue to learn about the changing accounting world.”

“I have always found PwC people easily accessible for issues on weekends. Their transfer of skills and knowledge is good and they listen to our position.”



Source: PwC Indonesia’s Client Satisfaction Survey

The leading advisor to the plantation industry

The PwC global network provides industry-focused services to public and private entities in order to build trust in society and solve important problems.

We are able to facilitate your specific cross-border transactions covering Asia, Europe, Africa and US. We can also deploy our global expertise to assist you in meeting your business objectives within multiple aspects, including (among others) business sustainability and growth, compliance with laws and regulations, and corporate value reporting.



The leading advisor to the plantation industry

Below is an overview of the categories of services that we provide, and which may be of interest to you, whatever the size of your organization:

Transaction work

We offer our clients strategic advice and assistance in all major areas which are corporate finance services, transactions services, corporate valuation advisory and business recovery services.

Our transaction services are presented in more detail below:

Corporate finance services

- Mergers and acquisitions (M&A)
- Divestments
- Initial public offerings (IPO) and fund raising
- Leveraged buy-outs
- Private equity transactions
- Strategic options analysis

Transactions services

- M&A negotiation support
- Financial and tax due diligence
- Sales and purchase agreement advisory
- Tax structuring for acquisition purpose
- Reviews of financial projections' assumptions

Corporate valuation advisory

- Business assets valuation
- Transaction negotiation
- Financial reporting valuation
- Fairness opinion
- Shareholder value management

Business recovery services

- Business assessment
- Performance benchmarking
- Business regeneration
- Corporate restructuring
- Debt restructuring and refinancing
- Optimized exits

Consulting work

In the current dynamics of the Indonesian and global economies it is of utmost importance that an entity embraces innovation and creativity in designing its change strategies and planning, and that it executes these strategies promptly, in order to ensure a successful business. Our clients engage our internal audit, performance improvement, forensic, and strategic tax and investment advisors who help them execute effective and lasting change. We focus on building capacity of our clients' people to make any change effective and sustainable.

Our consulting services are presented in more detail below:

Internal audit services

- Outsourcing services
- Co-sourcing services
- Staff augmentation and secondments
- Internal audit advisory services:
 - Methodology, risk assessments, planning and execution
 - Effectiveness and productivity reviews
- Corporate governance

Performance improvement services

- Financial effectiveness
- Governance, risk and compliance
- People and change
- Business process improvement
- Information, communication and technology effectiveness

Forensic services

- Fraud investigations
- Forensic accounting
- Forensic data mining
- Electronic data and document recovery
- Corporate fraud risk assessments
- Foreign Corrupt Practices Act (FCPA) compliance

The leading advisor to the plantation industry

Strategic tax and investment services

- International taxation
- Tax structuring
- Transfer pricing – planning and risk assessment
- Inbound investment and advisory
- Custom advisory

Compliance work

In an ever-changing regulatory environment we will keep you abreast of the development of Indonesian laws and regulations which impact your entity, and we will provide advice and support to assist you in identifying and managing your existing and future regulatory risks. We strongly encourage you to incorporate in your overall risk assessment strategy a proactive rather than a monitoring approach to regulatory development.

Our compliance services are presented in more detail below:

Financial reporting assurance services

PwC Assurance group provides assurance on the financial performance and operations of your business. We can also help your business improve its external financial reporting and adapt to regulatory requirements, such as Sarbanes-Oxley (SOX) and International Financial Reporting Standards (IFRS).

- Financial statements audits
- Regulatory compliance and reporting
- SOX compliance
- Risk and control solutions (RCS)
- IFRS and US Generally Accepted Accounting Principles (GAAP) reporting
- Assistance with capital market transactions
- Accounting advisory services

Other assurance services

- Tax audits, objections and appeals
- Customs audits
- Monthly and annual tax compliance
- Tax diagnostic reviews
- Transfer pricing documentation
- Security and data privacy compliance and effectiveness reviews
- Sustainability reporting
- Controls advisory: standardisation, automation, integration and optimisation
- Controls design and effectiveness assessment
- Third party assurance using recognised standards e.g: ISAE3402 / SSAE16
- Integrated reporting
- Commercial assurance: contract risk and compliance assessments, contract reviews for value loss and benefits maximisation, capital project assurance and revenue assurance
- Business continuity
- Risk and controls advice on issues of working capital and cash management.

More insights

We realize the full capabilities and value of our solutions by directly integrating industry-specific experience and knowledge. This is an area that distinguishes us from other firms: we have a global presence and leading market position in relation to serving our clients in the plantation industry, especially here in Indonesia.

The PwC Plantation Industry Network is considered by many to be the leading practice in the plantation industry worldwide, with engagements across a broad array of areas. PwC invests in developing points of view on the significant and emerging issues affecting plantation companies. Our publications include:



1. Sustainable Food Production
2. Palm Oil Plantation – Industry landscape, regulatory and financial overview
3. A Practical Guide to the New Accounting Standards for 2014
4. IFRS Disclosure Checklist 2014
5. PSAK Pocket Guide 2014
6. Indonesian Pocket Tax Book 2015
7. IFRS and Indonesian GAAP similarities and differences
8. A Practical Guide to the Revised Bapepam-LK VIII.G.7
9. On the Road to IPO: Stop, Look and Leap – A summary guide for companies to listing on the Indonesia Stock Exchange

All of these publications are available on the web at

www.pwc.com/id

Corporate responsibility

Using our skills, voice, and relationships, together we can make a difference, create change and have a lasting impact on the world around us. PwC Corporate Responsibility initiatives also means we take our part on responsible business issues that are central to our business, from the quality of our services and the diversity of our people, to our engagement with communities and our environmental footprint.



Our CR initiatives:

- Two working days a year are granted to all PwC employees to participate in and volunteer for social activities. In fiscal year 2014, as many as 6,223 hours were spent by 629 of our people completing 25 community projects.
- Providing financial support to various foundations (charity partners) in Indonesia.
- People-giving program, around 10% of PwC employees participate in setting aside part of their monthly income for our charitable activities.
- We carry out pro-bono audit work for Yayasan Indonesia Mengajar and Kick Andy Foundation.
- Stimulate young people's interest in becoming auditors by hosting mini-audit experiences with college students, giving them a real taste of what the job involves day to day.

Some evidence of our commitment to CR in our social and community work:

- Supporting the planting of 6,130 mangroves and 1,280 trees as part of a tree adoption program.
- Providing financial support for the implementation of the Learning Farm (TLF – Karang Widya Foundation). TLF provides self and entrepreneurship development for street youth through organic farming.
- Providing education program for Yayasan Emmanuel and TLF.
- We spend in average of USD 35,000 for the disaster relief in a year.

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