



PRESS RELEASE

For Immediate Release

Saratoga Strengthens Its Portfolio through Three New Investments in 2015

Jakarta, March 31, 2016 – PT Saratoga Investama Sedaya, Tbk. (IDX: SRTG) continued to receive more than one-hundred investment opportunities throughout 2015. Armed with measured and prudent strategies, Saratoga was able to book a net profit attributable to shareholders of IDR 923 billion, a 48% increase from last year. The profit growth was mainly driven by the realization of investment value to the amount of IDR 1.1 trillion in PT Merdeka Copper Gold Tbk., which in 2015 became a listed company on the IDX.

The low commodity prices and the dynamics in domestic economy throughout 2015 reduced net share profit from investee companies booked under equity method from IDR 764 billion to IDR 477 billion. The company also suffered from foreign exchange losses of IDR 272 billion and an increase in interest costs of IDR 91 billion.

Saratoga's President Director, Michael W. P. Soeryadjaya said that macroeconomic conditions inevitably affected investee companies' businesses, but with the right diversification strategy, experienced and solid management, supported by strong business fundamentals, Saratoga was able to overcome the headwinds and identified attractive investment opportunities.

New Investments

"Investment decisions made in 2015 went through a highly detailed and selective process. We are optimistic that the investments will strengthen Saratoga's portfolio, create synergy, and allow us to maintain sustainable business growth," Michael explained (31/03).

Michael added that Saratoga is aggressively seeking new investment opportunities whilst always maintaining the strict level of discipline that has shaped the firm. In 2015, we received more than 100 investment proposals, 39 of which made it to due diligence stage, and we finally decided on 3 new investments valued at IDR 300 billion.

Share acquisition of PT Agra Energi Indonesia allows Saratoga to efficiently enter into early-stage oil and gas exploration business. The company mainly focuses on oil and gas assets and deep sea explorations in Eastern Indonesia.

Through share acquisition of PT Batu Hitam Perkasa, Saratoga entered an ownership in Paiton Energy, one of Indonesia's largest IPP. Paiton Energy operates two power plants: Unit 7/8 and Unit 3 with total generating capacity of 2,035 MW, which are part of the 4GW Paiton Power Station supplying electricity to the Java-Bali power grid.



The third investment was into Heyokha, an investment fund that enables Saratoga to expand into investing in public equities and smaller PE opportunities.

In order to support investment activities, Saratoga successfully issued USD 100 million Exchangeable Bond (EB) at 3% fixed rate per annum maturing in year 5 with put option at year 3. This transaction marks a milestone as it is the first time that an Indonesian company tapped into the equity-linked bond market since 2010. The EB issuance not only reflects Saratoga's ability to tap diverse funding sources whilst managing a cost effective funding, it also reflects Saratoga's strategic initiative to monetize and fund its investments, a key part of our active investment operating model.

Saratoga's Finance Director, Jerry Ngo added that source of cash throughout 2015 also originated from four investee companies, i.e. Adaro, MPM, TWU, and NRC in the form of dividend income totaling IDR 191 billion.

Highlights of Performance of Investee Companies

Consumer Sector

PT Mitra Pinasthika Mustika Tbk. (IDX: MPMX), an integrated automotive consumer company posted a consolidated revenue of IDR 16.6 trillion in 2015, 4.4% increase compared to last year. The revenue growth was propped by the distribution & retail and auto spare parts segments which contributed 86% to the group's revenue as well as the company's focus to increase positive cash flow growth.

Infrastructure Sector

PT Tower Bersama Infrastructure Tbk. (IDX: TBIG) successfully booked full-year revenue and EBITDA of IDR 3.4 trillion and IDR 2.9 trillion in 2015. TBIG had 19,796 tenants and 12,389 telecommunications sites. The company maintained strong funding from USD bonds and bank loan markets, including its achievement in issuing the lowest ever priced 7-year bond by an Indonesian corporate.

PT Lintas Marga Sedaya (LMS) delivered and successfully completed its project in 2015 by commercially opening the Cikopo-Palimanan (Cipali) Toll Road, the longest toll road section in the Trans Java network. The 116.75 km toll, inaugurated by President Joko Widodo in June 2015, bypasses five regencies in West Java, i.e. Purwakarta, Subang, Majalengka, Indramayu, and Cirebon. Not only does the new Toll Road shorten the travel duration to 1.5 - 2 hours, but it is also expected to create logistics efficiency and economic multiplier effect in the region.

Natural Resources Sector

PT Merdeka Copper Gold Tbk. (IDX: MDKA) successfully listed its shares on the IDX in June 2015. Earlier this year, MDKA secured USD 130 million syndication loan from three major banks to support its gold production in the Tujuh Bukit project, a vital national object declared by the Ministry of Energy and Mineral Resources.



In 2015, Sumatra Copper & Gold successfully achieved its first gold pour in its Tembang project, located in Central Sumatera. SUM is a gold producer listed on the ASX with projects in several locations in Sumatera, Indonesia.

PT Adaro Energy Tbk. (IDX: ADRO) continued to deliver operational excellence and resilient financial performance despite challenges in the coal market. The company booked net profit of USD 151 million and successfully lowered its coal cash cost to USD 27.98 per ton. The company maintained strong cash balance of US\$702 million, which provides a strong support against the current downturn.

2016 Projections

Michael remarked that in 2016 Saratoga will continue to explore potential opportunities and closely manage its investment portfolios. This move has been undertaken by acquiring 5.63% of PT Mulia Bosco Logistik in early 2016. The transaction provides an excellent opportunity for Saratoga to build a platform in high growth cold chain logistics sector.

Early in the year, Saratoga divested its investment in tug-boats and barges charter company, Pulau Seroja Jaya. The divestment proceeds totalled IDR 98.6 billion.

“Saratoga’s investments will continue to target Indonesia’s fundamental sectors of Natural Resources, Infrastructure, and Consumer Goods and Services. We are optimistic that Saratoga’s performance will improve in line with the increasingly positive national economic prospects,” he added.

About PT Saratoga Investama Sedaya Tbk.

Founded in 1998, PT Saratoga Investama Sedaya Tbk. is a leading active investment company in Indonesia. Saratoga takes an active role in managing its investee companies as well as in exploring investment opportunities in Indonesia.

Saratoga focuses on investment opportunities in the early-stage as well as in the growth stage, and also in special conditions with emphasis on sectors that support Indonesian economic development, such as consumer, infrastructure, and natural resources.

Saratoga's vision is to continue to be the major active investment company in Indonesia as well as the partner of choice for national and foreign investors, who wish to participate in the dynamic growth of the Indonesian economy.

For further information on Saratoga, please visit www.saratoga-investama.com

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