

**INFORMATION TO SHAREHOLDERS
IN RELATION TO THE PROPOSED SHARES BUYBACK OF
PT PROVIDENT AGRO TBK (“THE COMPANY”)**

This Information is important to be read by the shareholders of the Company

If you have difficulty understanding this information or uncertain in making decision, you should consult to stock broker, investment manager, legal counsel, accountant or other professional advisers.

The Board of Commissioners and Board of Directors of The Company, whether individually or jointly, shall take full responsibility for the accuracy and completeness of all information or material facts contained in this information and confirm that to the best of the Company’s knowledge, there is no relevant and important facts that are not disclosed that can cause the information or material facts in this information to be incorrect and/or misleading.



Provident Agro

PT Provident Agro Tbk

Business Activities:

Developing and Operating Palm Oil Plantations, Processing Palm Oil and Trading Plantation Products through the Subsidiaries.

Head Office:

The Convergence Indonesia Lantai 21-22
Kawasan Rasuna Epicentrum
Jl. H.R. Rasuna Said, Jakarta 12940
Tel: (62-21) 21572008 Fax: (62-21) 21572009
Website: www.provident-agro.com
Email: investor.relation@provident-agro.com

The Company hereby informs the shareholders that the Company intends to conduct buyback on the Company’s shares that have been issued and listed on The Indonesia Stock Exchange (“**IDX**”) with allocation of the fund up to Rp 115.980.800.000 (one hundred and fifteen billion, nine hundred and eighty million eight hundred thousand rupiah) to buy up to 278.800.000 (two hundred and seventy-eight million eight hundred thousand) shares of the Company or up to 3,92% (three point nine two percent) of the total issued and paid-up capital of The Company (“**Company Shares Buyback**”) which will be done gradually over a period of 6 (six) months commencing from the approval on the Company Shares Buyback by The General Meeting of Shareholders as regulated under the Law no. 40 of 2007 on Limited Liability Companies (“**Companies Law**”) and Rule No. XI.B.2 Attachment of Bapepam Chairman Decree No. KEP-105/BL/2010 dated 13 April 2010 regarding Shares Buyback by Issuers or Public Companies (“**Rule No. XI.B.2**”).

Extraordinary General Meeting Shareholders (“**EGMS**”) of The Company to approve the implementation of Company Shares Buyback will be on 21 April 2017 in Jakarta.

This Disclosure of Information is published on 15 March 2017

THE TIMELINE OF COMPANY SHARES BUYBACK

1	Announcement of Company Shares Buyback Disclosure through the newspaper, IDX website, and The Company website www.provident-agro.com	15 March 2017
2	EGMS Announcement	30 March 2017
3	EGMS of The Company to approve the implementation of Company Shares Buyback.	21 April 2017
4	The announcement of summary of EGMS	25 April 2017
5	The Period of Company Shares Buyback	25 April 2017 Until 24 October 2017

INFORMATION REGARDING COMPANY SHARES BUYBACK

The Disclosure of Information as set out in this announcement is made for the benefit of shareholders to have full information on the proposed Company Shares Buyback to decide on the proposed Company Shares Buyback with allocation of the fund up to Rp 115.980.800.000 (one hundred and fifteen billion, nine hundred and eighty million eight hundred thousand rupiah) to buy up to 278.800.000 (two hundred and seventy-eight million eight hundred thousand) shares of the Company or up to 3,92% (three point nine two percent) of the total issued and paid-up capital of The Company.

A. BACKGROUND, CONSIDERATION AND PURPOSE OF THE COMPANY SHARES BUYBACK

The Company's performance has generated cash flow in the excess of the amount necessary to keep the growth of The Company. At this time The Company has a good level of leverage, even The Company still has a chance to increase leverage when needed.

Based on the decision of the EGMS on January 16, 2017 has approved a plan to reduce the authorized capital, issued and fully paid capital of the Company by the reduction of nominal share value of the Company which was originally Rp. 100, - per share to Rp. 15, - the implementation of which will refer to Articles 44, 45, 46 and 47 of Law No. 40 Year 2007 regarding Limited Liability Company. On January 18, 2017 the Company announced to the creditors of the Company and if during a period of 60 (sixty) days from the date of the announcement of the Company has received no objection from the creditors of the decline in nominal value, the payment of the difference of nominal value will be implemented.

The Company intends to show its commitment in increasing shareholders value by returning excess free cash flow to the shareholders through Share Buyback program with allocation of the fund up to Rp 115.980.800.000 (one hundred and fifteen billion, nine hundred and eighty million eight hundred thousand rupiah) with aim of the following corporate action above, The Company's share price in the market continues to reflect the performance of The Company.

The purpose of the Share Buyback are as follows:

1. The Share Buyback provides the Company with opportunity and flexibility to conduct Share Buyback at any time, with due observance to the market condition, within 6 (six) months since 25 April 2017 until 24 October 2017. The Share Buyback will only be conducted if such transaction will result profit

for the Company and the shareholders. The Company will not conduct the Share Buyback if such transaction will result material adverse effect towards the liquidity and capital of the Company.

2. The Share Buyback can provide flexibility to the Company to achieve an efficient capital structure and allow the Company to increase its earning per share (“**EPS**”) and return on equity (“**ROE**”).
3. The Share Buyback provides greater flexibility in managing capital of the Company. To the extent of capital and funding surplus that exceeds the necessities, with due observance to the expansion plans of the Company, the Share Buyback will allow control of excess free cash flow in the correct and efficient manner.

B. ESTIMATED COST OF COMPANY SHARE BUYBACK, ESTIMATED NOMINAL VALUE OF THE COMPANY SHARES BUYBACK

The fund to be allocated by The Company in relation to the Share Buyback will be up to Rp 115.980.800.000 (one hundred and fifteen billion, nine hundred and eighty million eight hundred thousand rupiah) including transaction fees, brokerage fees and other expenses in relation to the Share Buyback.

The aggregate amount of shares to be bought back by the Company is up to 278.800.000 (two hundred and seventy-eight million eight hundred thousand) shares of the Company or up to 3,92% (three point nine two percent) of the total issued and paid-up capital of The Company.

C. THE COMPANY’S PLAN IN THE RESPECT OF THE BUYBACK SHARES

The Company plans to keep the shares that have been bought back as treasury shares for maximum 3 (three) years, however, The Company can at any time transfer these treasury shares (according to paragraph 4 point a of Rule XI.B.2) through the following methods:

1. Sell in the market of off market;
2. Cancellation through capital reduction;
3. Employee stock option plan or employee stock purchase plan; or
4. Equity conversion funding

The shares that have been bought back do not have voting rights in the general meeting of shareholders and cannot be counted to define a quorum and those shares are not entitled to dividend.

D. LIMITATION of THE COMPANY SHARES BUYBACK PERIOD

The Company plans to commence the Company Share Buyback after the Company obtains the approval from the EGMS, which falls on 25 April 2017 until 24 October 2017 and/or other date as determined by EGMS by taking into consideration the applicable rules and regulations.

E. LIMITATION OF SHARE PRICE IN RELATION TO THE COMPANY SHARES BUYBACK

The offering price for Company Shares Buyback conducted through the IDX shall be lower or equal to the transaction price that occurred previously as regulated in Article 3 point c Regulation XI.B.2.

F. PROCEDURE FOR THE COMPANY SHARES BUYBACK TRANSACTION

1. The Company will appoint PT Indo Premier Securities as the member of IDX, to buy back the shares from 25 April 2017 until 24 October 2017 and/or other dates as determined by the EGMS by taking into considerations applicable rules and regulations.
2. The Company Shares Buyback will be done through IDX.
3. The Company Shares Buyback price shall be less than or equal to the previous transaction price.
4. The Following parties :
 - a. Commissioner, director, employee and the majority shareholder;
 - b. Any individual due to its profession or business relationship with The Company which may give that particular individual insider information; or
 - c. Any Party who is in the past 6 months no longer be a party as disclosed in point a and b above, is prohibited to conduct transaction on the Company's shares on the same days as the day of Company Shares Buyback or any sale or shares resulting from the Company's shares buyback through the Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

I. ESTIMATED DECREASE OF COMPANY'S EARNING AS A RESULT OF THE COMPANY SHARES BUYBACK AND THE IMPACT OF FINANCING COST OF THE COMPANY

The Company believe Company Shares Buyback may not reduce the income of The Company. Using the assumption that The Company will use the total fund amounted to Rp 115.980.800.000 (one hundred and fifteen billion, nine hundred and eighty million eight hundred thousand rupiah), total assets and total equity of The Company will decrease. However The Company believes that the implementation of The Company Shares Buyback transaction will not give significant negative impact to The Company's operation considering that the Company has enough working capital and cash flow availability to fund the transaction as well the Company's operations.

II. PROFORMA COMPANY'S EPS AFTER THE COMPANY SHARES BUYBACK BY TAKING INTO ACCOUNT THE DECREASE IN EARNINGS

Due to the Company Shares Buyback may not reduce the income of The Company, there is no changes on The Company's pro forma earnings.

III. MANAGEMENT DISCUSSION AND ANALYSIS RELATED TO THE IMPACT OF COMPANY SHARES BUYBACK TO THE COMPANY'S OPERATIONS AND GROWTH.

The company has financial flexibility to conduct Company Shares Buyback for maximum amount of Rp 115.980.800.000 (one hundred and fifteen billion, nine hundred and eighty million eight hundred thousand rupiah). The Implementation of Company Shares Buyback will allow The Company increase ROE and EPS further. The Share Buyback is expected not to have any impact to the business and operational activities of the Company because the Company has adequate working capital to conduct its business activities.

The Company Shares Buyback also expected to maintain the stability of stock prices in the future after the implementation of reduction nominal value of shares, which The Company's shares may fluctuate so

and may fall sharply, this condition basically do not reflect the condition fundamental and prospects of The Company.

REKOMENDATION

Regarding the explanations and descriptions above, The Board of Directors explain that the Company Shares Buyback plan has been approved in the meeting of The Board of Directors and Board of Commissioners. Therefore The Boards of Directors propose to the shareholders to approve The Company Shares Buyback plan at EGMS that will be held on 21 April 2017 and/or other date that the as the delay or the sequel.

THE GENERAL MEETING OF SHAREHOLDERS

The Company intends to obtain the approval of the shareholders regarding The Company Shares Buyback at The EGMS that will be held on Friday, 21 April 2017.

Pursuant to the Company's Article Association, Financial Services Authority Regulation No. 32/POJK.04/2014 On The Plan and Implementation of General Meeting of Shareholders of a Public Company ("OJK Regulation 32/2014") and Companies Law, the Company Share Buyback requires EGMS approval which must be attended by shareholders or their valid proxies representing at least 2/3 (two thirds) of the total shares with lawful voting rights and must be approved by more than 2/3 (two thirds) of the total votes cast at the EGMS.

ADDITIONAL INFORMATION

For further information in respect of the above, shareholders may contact The Company during business hour at:

PT Provident Agro Tbk.
Corporate Secretary

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