



P&L (IDR Millions) – YoY	9M2017	9M2016	Change (%)
Revenue	6,609,403	4,504,294	46.7%
Gross Profit	1,639,798	1,159,998	41.4%
Operating Profit	1,200,650	752,365	59.6%
NPAT	708,389	483,199	46.6%
EBITDA	1,524,790	1,029,220	48.2%
Unrealized forex gain/(loss)	(12,398)	60,184	-

BS (IDR Millions)	30 Sept 2017	31 Dec 2016	Change (%)
Asset	14,030,169	12,596,824	11.4%
Liability	10,113,652	9,176,209	10.2%
Equity	3,916,517	3,420,615	14.5%
Interest Bearing Debt	5,963,808	5,780,166	3.2%
Cash & cash equivalent	107,188	126,377	-15.2%

Ratios	9M2017	9M2016
Gross margin	24.8%	25.8%
Operating margin	18.2%	16.7%
NPAT margin	10.7%	10.7%
EBITDA margin	23.1%	22.8%
Net Debt to Equity	1.5	1.7
ROA*	6.7%	5.1%
ROE*	24.1%	18.8%

*Annualized

Sales Volume (ton)	9M2017	9M2016	Change (%)
CPO	39,332	37,937	3.7%
Palm Cooking Oil	185,959	157,505	18.1%
PKO	29,879	30,145	-0.9%
Sugar	238,662	116,223	105.3%
Biodiesel	76,597	38,837	97.2%

Sales Price (IDR/Kg) ex VAT	9M2017	9M2016	Change (%)
CPO	8,333	7,312	14.0%
Palm Cooking Oil	9,939	8,985	10.6%
PKO	16,956	13,414	26.4%
Sugar	9,866	10,969	-10.1%
Biodiesel	9,116	8,703	4.7%

FINANCIAL HIGHLIGHTS

Revenue grew by **46.7%**, while operating profit and EBITDA went up by **59.6%** and **48.2%** respectively. Growth was achieved on the back of strong sales volume for most products, bigger contribution from the sugar business, as well as higher cpo price.

Profitability margin expanded with Operating and EBITDA margin improved to **18.2%** and **23.1%** respectively with much higher proportion of sugar contribution compared to last year.

9M2017 Sugar sales volume more than doubled at **238,662 ton** with quarterly sugar sales volume hitting all time high this quarter at **94,708 ton**. Although production of mill sugar already commencing, its distribution is still minimized at around 16k ton this quarter. This was done to give lag time to allow the market to settle for the Ministry of Finance new VAT regulation.

In 16 August 2017, the Ministry of Finance issued a regulation that stipulates the exemption of VAT from several food items including mill sugar (**Peraturan Menteri Keuangan (PMK) RI Nomor 116/PMK.010/2017**), effective 30 days after date of issuance. This regulation naturally benefits the sugar milling industry, but not applicable for sugar refineries.

Now that the regulation is well in place and applied by market participants, TBLA is in the position to push for higher mill sugar sales volume in the coming quarter. Given the milling business lower cost structure and superior selling price, higher proportion of mill sugar sales would further promote margin expansion.

Quarterly NPAT went lower in the 3Q2017 at **Rp203bn** (versus **Rp227bn** in 2Q2017) due to higher interest expense, mainly from the sugar mill, and unrealized forex loss effect. Interest expense went higher from **Rp100bn** in 2Q2017 to **Rp130bn** in 3Q2017, incorporating the full impact of the new sugar mill's interest expense on quarterly basis. Unrealized forex loss booked at **Rp12.4bn** versus unrealized forex gain of **Rp15.5bn** in 1H2017.

Continuously growing oil palm downstream products sales volume, namely cooking oil and biodiesel, summarize TBLA's ongoing strategy to move forward from commodity to consumer based products. The Company's palm cooking oil continues to win market share as sales volume hits an all-time 9 month high of **185,959 ton**, projecting **29.2%** increment against 9M2016.



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9M2017 NEWSLETTER

Production Summary	9M2017	9M2016	Change (%)
FFB Harvested			
FFB Nucleus (MT)	397,566	225,794	76.1%
FFB Plasma (MT)	109,814	60,589	81.2%
FFB 3 rd Party (MT)	433,871	419,897	3.3%
FFB Yield – Nucleus (MT/Ha)	12.9	7.3	76.7%
Crude Palm Oil (CPO)			
CPO Production (MT)	200,073	137,935	45.0%
CPO Extraction Rate (OER)	23.4	21.7	7.8%
Palm Kernel Oil (PKO)			
PKO Production (MT)	27,039	26,386	2.5%
Kernel Extraction Rate (KER)	42.1	43.8	-3.9%

Planted Area (Ha)	30 Sept 2017	30 Sept 2017
Oil Palm		
Mature	42,349	42,415
Immature	11,816	8,322
Total Oil Palm	54,165	50,737
Sugar Cane	10,160	9,173

PRODUCTION & SALES SUMMARY

9M2017 FFB nucleus harvest improved by **76.1%** compared to previous year, with harvest volume bounced back in 3Q2017 at **238,068 ton**. FFB yield improved to **12.3 ton/hectare** with higher contribution from TBLA's Palembang estate.

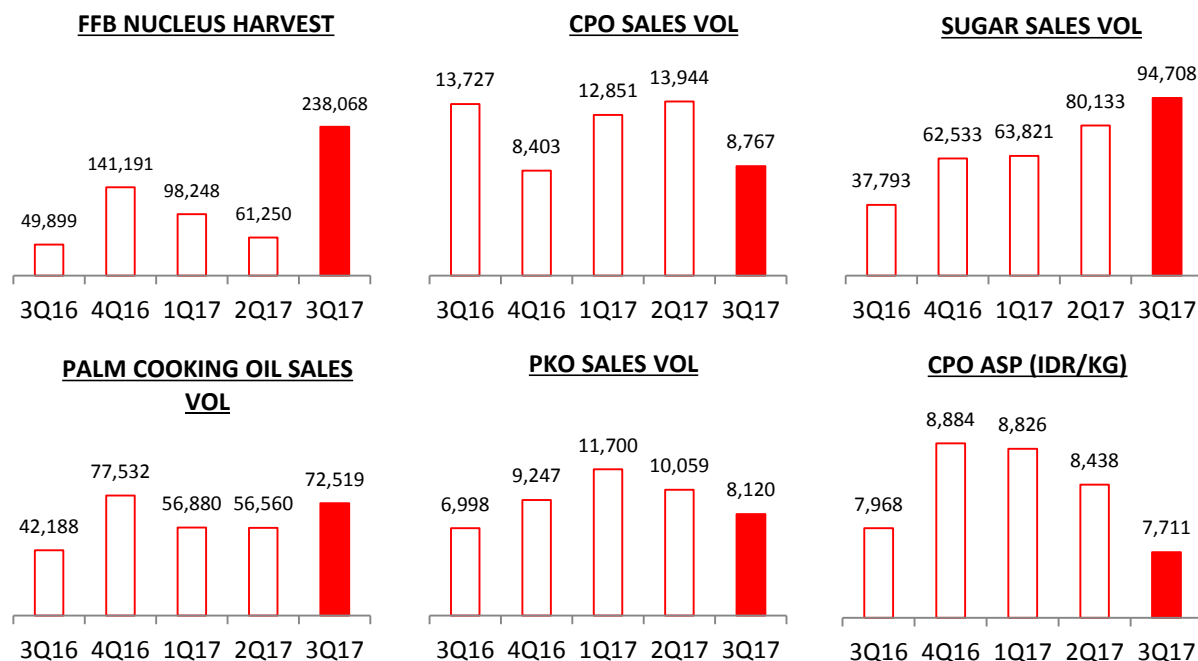
Quarterly CPO production went up with bigger FFB harvest. At **80,603 ton** in 3Q2017, it grew by **42.4%** compared to **56,620 ton** booked in 2Q2017.

Quarterly sugar sales volume went up to **94,708 ton**, with additional sugar produced from the mill. Stronger result from sugar business is expected in the last quarter from upward seasonal price movement and bigger mill contribution.

At the end of 9M2017, TBLA still has an ample sugar inventory (both mill and refinery) of around 180k ton that can be distributed in the coming quarters.

Sugar cane planting season starts right after harvest ended in September. TBLA is targeting additional 2,000 – 3,000 ha of sugar cane plantation conversion this year.

QUARTERLY TREND *(all figures in metric ton except for CPO ASP)*



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