



P&L (IDR Millions) – YoY	3M2017	3M2016	Change (%)
Revenue	2,236,471	1,026,919	117.8%
Gross Profit	530,976	241,600	119.8%
Operating Profit	385,551	111,287	246.4%
NPAT ¹	278,168	65,217	326.5%
EBITDA	500,644	184,804	170.9%
Unrealized forex gain/(loss)	19,549	26,121	-25.2%

BS (IDR Millions)	31 Mar 2017	31 Dec 2016	Change (%)
Asset	12,963,043	12,596,824	2.9%
Liability	9,264,540	9,176,209	1.0%
Equity	3,698,503	3,420,615	8.1%
Interest Bearing Debt	5,176,863	5,780,166	-10.4%
Cash	70,125	126,377	-44.5%

Ratios	3M2017	3M2016
Gross margin	23.7%	23.5%
Operating margin	17.2%	10.8%
NPAT margin	12.4%	6.4%
EBITDA margin	22.4%	18.0%
ROE (Annualized)	8.6%	2.1%
ROA (Annualized)	30.1%	7.6%
Net Debt to Equity	1.38	1.65

Sales Volume	3M2017	3M2016	Change (%)
Palm Cooking Oil	56,880	55,118	3.2%
Sugar	63,821	14,320	345.7%
CPO	12,851	16,118	-20.3%
PKO	11,700	14,497	-19.3%
Biodiesel	41,074	-	-

Sales Price (IDR/Kg) ex VAT	3M2017	3M2016	Change (%)
Palm Cooking Oil	10,235	7,886	29.8%
Sugar	10,271	10,531	-2.5%
CPO	8,826	6,749	30.8%
PKO	21,176	11,217	88.8%
Biodiesel	9,051	-	-

SALES & FINANCIAL HIGHLIGHTS

Revenue more than doubled compared to 1Q2016 mostly due to 1) Contribution from sugar refinery and 2) Improved FFB harvest coupled with higher average CPO price.

Sugar sales volume more than tripled given that the Company's 2016 carry forward inventory allows for full year sugar sale. This is the main differentiating factor compared to last year, where refined sugar sales only started in 2Q2016. 1Q2016 TBLA sugar sales volume of **14k** ton was mostly derived from its sugar trading unit, not refinery.

1Q2017 FFB harvest shows improvement, especially on the Company's plasma estate, whilst CPO (including all its by-products) price were also much higher this year. CPO and Cooking Oil ASP were higher by **30.8%** and **29.8%** compared to 1Q2016.

Biodiesel is another new contributor this 1Q2017 with **41k ton** of sale. TBLA's biodiesel plant only became operational in 2Q2016, thus no contribution during the 1st quarter of last year.

With refined sugar sales and higher CPO price, all profitability margins expanded. EBITDA and NPAT margins went up to **22.4%** and **12.4%** respectively.

Following those margin expansions, consequently the Company's return profiles (both annualized) were also positively impacted. ROE went up to **8.6%** from just **2.1%** last year, whilst ROA went up to **30.1%** from **7.6%** in 1Q2016.

Net debt to equity went down to **1.38** as the Company made **Rp620bn** repayment to its short term debt facilities. This is consistent with TBLA's deleveraging plan of utilizing strong operational cash flow derived from its new sugar operations to reduce gearing over time.



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3M2017 NEWSLETTER

Production Summary	3M2017	3M2016	Change (%)
FFB Harvested			
FFB Nucleus (MT)	98,248	97,576	0.7%
FFB Plasma (MT)	41,805	29,083	43.7%
FFB 3 rd Party (MT)	167,460	150,298	11.4%
FFB Yield – Nucleus (MT/Ha)	3	3	-
Crude Palm Oil (CPO)			
CPO Production (MT)	62,850	59,121	6.3%
CPO Extraction Rate (OER)	22.20%	22.70%	-
Palm Kernel Oil (PKO)			
PKO Production (MT)	11,990	13,262	-9.6%
Kernel Extraction Rate (KER)	41.77%	42.50%	-

Planted Area (Ha)	31 Mar 2017	31 Mar 2016
Oil Palm		
Mature	43,171	44,967
Immature	9,783	7,715
Total Oil Palm	52,953	52,682
Sugar Cane	10,705	8,970

PRODUCTION SUMMARY

Combined FFB harvest went up by **10.6%** Y-o-Y, which was mostly supported by strong plasma harvest from Lampung estate. 3rd party FFB purchased was maintained to support downstream production.

With improved harvest, CPO production went higher by **6.3%**, majority of which were being used for internal downstream output. CPO sales only made up **7.2%** of CPO related revenue and **5.1%** of total revenue in 1Q2017. This reflects the Company's ongoing strategy of switching sales focus from tough CPO export market to a more stable domestic downstream market. This strategy is only possible given TBLA's existing downstream infrastructure, the Company's strong brand (**ROSE BRAND**) and established distribution channel across the country.

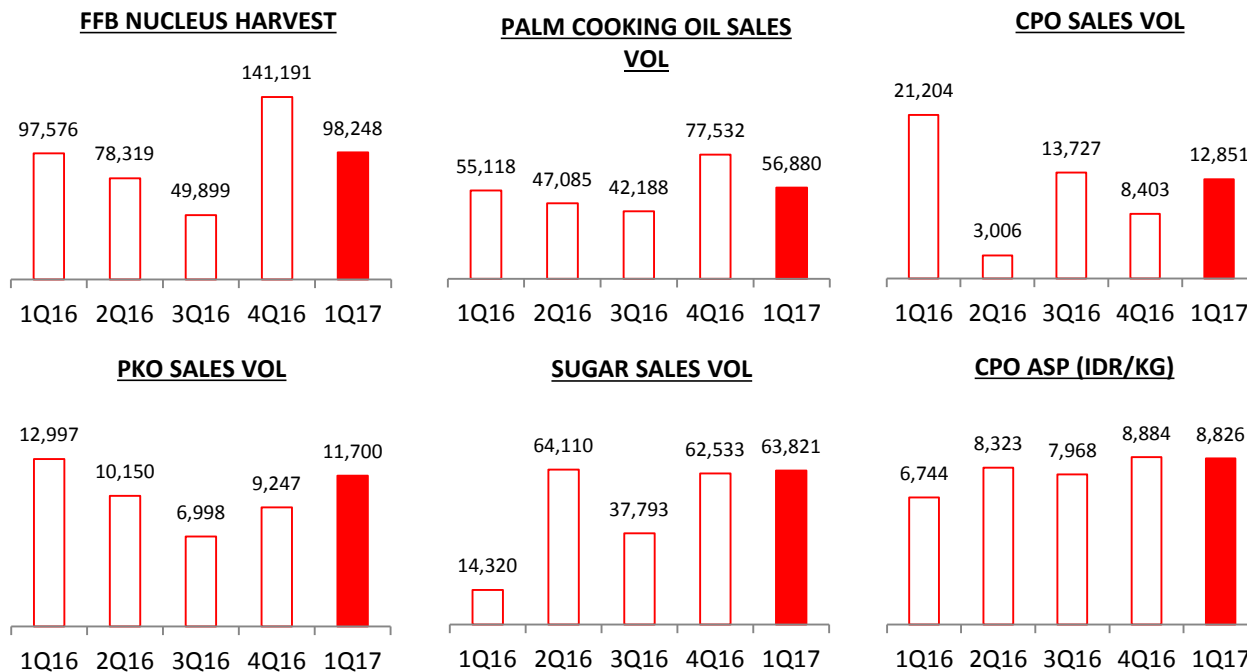
Palm cooking oil sales booked slight Y-o-Y growth of **3.2%**. Whilst Q-o-Q PKO sales volume went up by **26.5%**.

TBLA's ample sugar inventory of around **130k ton** at the end of 2016, coupled with 2017 quotas allow for strong 1Q2017 sugar sales of **63,821 ton** and full 12 months refined sugar sales in 2017 (compared to just 7 months in 2016). Higher sugar sales volume in the 2Q2017 is expected with the *Hari Raya* festive season in June 2017.

Cane plantation conversion already reached close to **11k ha** in March 2017. This is in line with the Company's target of **13k ha** planted sugar cane estate by the end of the year.

TBLA sugar mill is already operational and has started commercial milling in April 2017.

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



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