



P&L (IDR Millions) – YoY	1Q2016	1Q2015	Change (%)
Revenue	1,026,919	1,345,939	-23.7%
Gross Profit	241,600	304,366	-20.6%
Operating Profit	111,287	190,972	-41.7%
NPAT <sup>1</sup>	65,217	83,709	-22.1%
EBITDA	184,804	250,606	-26.3%
Unrealized forex losses	26,121	(48,373)	

BS (IDR Millions)	31 Mar 2016	31 Dec 2015	Change (%)
Asset	9,805,218	9,293,023	5.5%
Liability	6,858,388	6,405,668	7.1%
Equity	2,946,830	2,887,355	2.1%
Interest Bearing Debt	5,076,777	4,690,464	8.2%
Cash & cash equivalent	226,432	295,969	-23.5%

Ratios	1Q2016	1Q2015
Gross margin	23.5%	22.6%
Operating margin	10.8%	14.2%
NPAT margin	4.4%	9.1%
EBITDA margin	18.0%	18.6%
ROE	2.7%	3.6%
ROA	8.9%	11.6%
Net Debt to Equity	1.6	1.5

Sales Volume	1Q2016	1Q2015	Change (%)
CPO	21,204	27,960	-24.2%
Palm Cooking Oil	55,118	42,983	28.2%
PKO	12,997	22,103	-41.2%
Sugar	14,320	16,589	-13.7%

Sales Price (IDR/Kg) ex VAT	1Q2016	1Q2015	Change (%)
CPO	6,744	7,624	-11.5%
Palm Cooking Oil	7979	8,145	-2.0%
PKO	11,172	12,421	-10.1%
Sugar	10,531	7,545	39.6%

**SALES & FINANCIAL HIGHLIGHTS**

- Prolonged dry weather and last year’s haze in Sumatera led to lower FFB harvest, which consequently resulted in lower CPO production. This coupled with depressed palm oil price, which was lower by 12.1% from same period last year, posed negative impact as revenue falls by 23.7%. Furthermore, sugar sales were still marginal in 1Q2016 as the import quota was only received at the end of February 2016. Hence, sizable contribution from refined sugar is expected to be apparent starting next quarter.
- Given weak harvest, CPO sales drop by 42.0% and the Company also has to purchase almost half of its FFB from 3<sup>rd</sup> party to sustain production. Add low CPO price to the equation, profitability got dragged down with EBITDA and NPAT lower from previous year by 22.1% and 26.3% respectively.
- With the above challenges, TBLA still managed to maintain profitability margins. EBITDA margin is still at a healthy 18.0% level, compared to 18.4% in 1Q2015. Leverage ratio went slightly higher at 1.6 as liability expanded at a higher pace, given construction loan from sugar mill ongoing construction.
- As mentioned above, contribution from refined sugar has yet to appear in this 1Q2016. TBLA obtained import quota of **104,000 ton** for the first half of the year, and another **160,000 ton** for second half. This totaled to **264,000 ton** for 2016. Indonesia’s sugar price continues to trail up, 39.6% higher compared to 1Q2015 from the Company’s sales data. This is caused by massive supply shortage caused by less than expected quota volume given last year. With the domestic sugar industry’s systematic problem, slight disruption in supply would trigger such price hike.
- The Company’s sugar mill construction is progressing rapidly, with expected completion in 4<sup>th</sup> quarter this year.



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## 3M2016 NEWSLETTER

Production Summary	3M2016	3M2015	Change (%)
<b>FFB Harvested</b>			
FFB Nucleus (MT)	97,576	137,658	-29.1%
FFB Plasma (MT)	29,083	20,770	40.0%
FFB 3 <sup>rd</sup> Party (MT)	150,298	150,969	-0.4%
FFB Yield – Nucleus (MT/Ha)	3	4	
<b>Crude Palm Oil (CPO)</b>			
CPO Production (MT)	59,121	61,931	-4.5%
CPO Extraction Rate (OER)	22.7%	21.7%	
<b>Palm Kernel Oil (PKO)</b>			
PKO Production (MT)	13,262	18,267	-27.4%
Kernel Extraction Rate (KER)	42.5%	42.6%	

Planted Area (Ha)	31 Mar 2016	31 Mar 2015
Oil Palm		
Mature	44,967	44,256
Immature	7,715	10,018
<b>Total Oil Palm</b>	<b>52,682</b>	<b>54,274</b>
<b>Sugar Cane</b>	<b>8,970</b>	<b>5,752</b>

### PRODUCTION SUMMARY

FFB nucleus harvest went down by 29.1% due to combined effect from the draught and last year's haze in Sumatera, which especially affected TBLA's Palembang estate. On the other hand, contribution from our plasma estate went up by 40.0%, due to their prime age profile. Combined, harvest volume still lower by 20.0% from previous year.

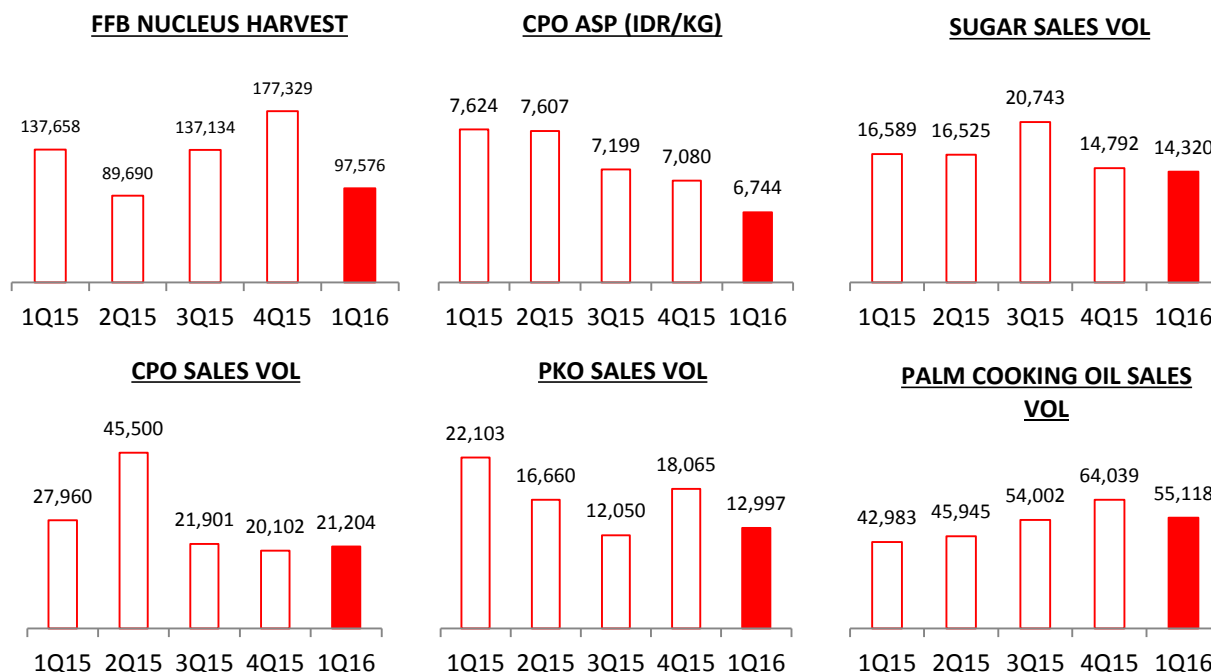
CPO price went down for the 10<sup>th</sup> consecutive quarter in 1Q2016. Price only started to move up end of March 2016.

Sugar sales volume is still marginal in 1Q2016 at 14,320 ton, as most still comes from the Company's sugar trading unit. This will significantly change beginning next quarter with the import quota (see page 1)

Due to seasonality, palm cooking oil sales volume is lower on quarterly basis, but still 28.2% higher annually at 55,118 ton.

Sugar cane plantation continues to expand rapidly as it reached close to 9,000 ha by 1Q2016. Adding 2,000 ha of existing plasma field, the Company has already planted close to 11,000 ha, which means the initial target of 12,000 ha for 2016 will almost certainly be surpassed.

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



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