



P&L (IDR Millions) – YoY	9M2016	9M2015	Change (%)
Revenue	4,504,294	4,016,297	12.2%
Gross Profit	1,159,998	837,152	38.6%
Operating Profit	758,904	460,930	64.6%
NPAT	469,847	153,869	205.4%
EBITDA	1,042,643	673,623	54.8%
Unrealized forex gain/(loss)	60,184	(196,781)	-

BS (IDR Millions)	30 Sept 2016	31 Dec 2015	Change (%)
Asset	11,032,090	9,293,023	18.7%
Liability	7,809,175	6,405,668	21.9%
Equity	3,222,915	2,887,355	11.6%
Interest Bearing Debt	5,388,745	4,690,464	14.9%
Cash & cash equivalent	187,464	295,969	-36.7%

Ratios	9M2016	9M2015
Gross margin	25.8%	20.8%
Operating margin	16.8%	11.5%
NPAT margin	10.4%	3.8%
EBITDA margin	23.1%	16.8%
Net Debt to Equity	1.6	1.5
ROA	5.7%	2.2%
ROE	19.4%	7.1%

Sales Volume (ton)	9M2016	9M2015	Change (%)
CPO	37,937	95,361	-60.2%
Palm Cooking Oil	144,391	142,930	1.0%
PKO	30,145	50,813	-40.7%
Sugar	116,223	53,857	115.8%
Biodiesel	38,837	-	-

Sales Price (IDR/Kg) ex VAT	9M2016	9M2015	Change (%)
CPO	7,312	7,643	-4.3%
Palm Cooking Oil	9,040	8,724	3.6%
PKO	13,267	9,494	39.7%
Sugar	10,969	8,716	25.8%
Biodiesel	8,703	-	-

FINANCIAL HIGHLIGHTS

TBLA managed to book revenue growth of **12.2%**, despite lower FFB harvest which translates to less sales contribution from the Company’s CPO business line, both upstream and downstream. Growth was mostly achieved from TBLA’s sugar refining business contribution.

Both CPO and PKO sales volume went lower due to weak harvest, and higher downstream allocation (including biodiesel production). TBLA’s biodiesel plant was completed earlier this year, and the Company has since secured 2 Pertamina biodiesel tenders totaling to **116,000 kilo litre**.

Since sugar refinery’s margin profile is higher than CPO, both operating profit and EBITDA grew by **64.6%** and **54.8%** respectively. Consequently, all profitability margin indicators also went up compared to previous year.

Despite weak CPO contribution, 9M2016 is still a momentous period for the Company, as TBLA managed to break highest NPAT ever recorded (even on annual level) at **Rp468bn**. With another quarter remaining, FY2016 looks like a record breaking year for the Company. TBLA’s dividend policy stipulates dividend payout of **30%** for annual net earnings below **Rp500bn**, and **40%** if above.

Sugar sales volume more than doubled to **116,223 ton** as TBLA received **294,000 ton** of raw sugar import quota for FY2016. This means the Company would still have an ample supply of sugar inventory that could be release during high demand periods at the end and beginning of each year (Indonesia’s annual sugar cane harvest is normally conducted between April to September, hence national sugar inventory is still relatively high during this period).

Sugar ASP went up by **25.8%** to an average of **Rp10,968/kg** in 9M2016 as inventory deficit from last year’s lower national quota remains and also weak sugarcane harvest due to weather condition this year. Higher quota received this year coupled with high domestic sugar price creates a favorable outcome for the Company.

Despite all of the major projects undertook by the Company in recent years (sugar mill, refinery, biodiesel plant), TBLA’s net gearing ratio is very much maintained at 1.6. Given no foreseeable major capex in the agenda and strong incoming cashflow from the sugar business, the Company could potentially begin its deleveraging process in the coming terms.



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9M2016 NEWSLETTER

Production Summary	9M2016	9M2015	Change (%)
FFB Harvested			
FFB Nucleus (MT)	225,794	364,482	-38.1%
FFB Plasma (MT)	60,589	136,267	-55.5%
FFB 3 rd Party (MT)	419,897	574,542	-26.9%
FFB Yield – Nucleus (MT/Ha)	7.3	11.4	
Crude Palm Oil (CPO)			
CPO Production (MT)	137,935	217,771	-36.7%
CPO Extraction Rate (OER)	21.7	21.9	
Palm Kernel Oil (PKO)			
PKO Production (MT)	26,386	50,618	-47.9%
Kernel Extraction Rate (KER)	43.8	42.2	

Planted Area (Ha)	30 Sept 2016	30 Sept 2015
Oil Palm		
Mature	42,415	43,512
Immature	8,322	9,169
Total Oil Palm	50,737	52,681
Sugar Cane	10,196	6,992

PRODUCTION & SALES SUMMARY

Weak FFB harvest from last year's weather condition persists this quarter as overall nucleus and plasma harvest drops by **38.1%** and **55.5%** on annual basis respectively. Additionally, the ongoing palm oil to sugar cane estate conversion project also contributes to lower harvest volume.

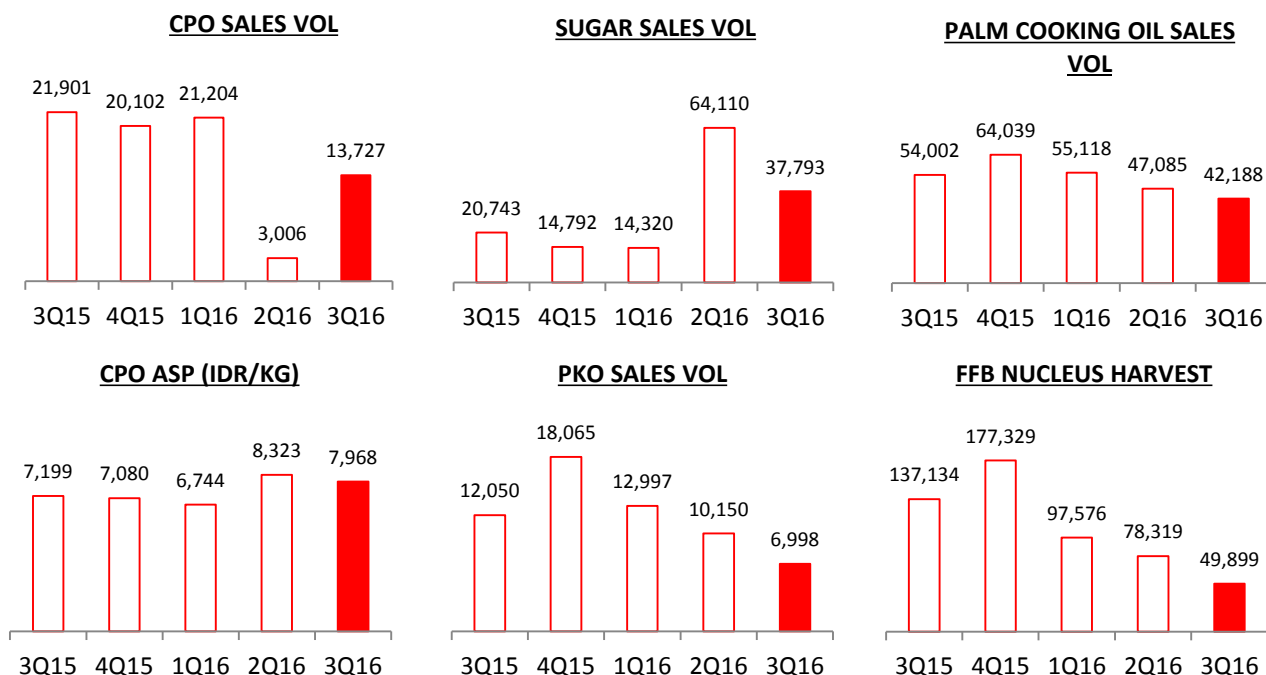
Consequently, less FFB harvested and higher downstream allocation led to lower CPO sales. Despite higher quarter to quarter, it is still considerably lower on annual basis.

As expected, 3Q2016 sugar sales volume is lower compared to previous quarter due to seasonality. July to September is the peak months of sugar cane harvest; hence national inventory is still relatively present during this period. Normally, it would rapidly deplete towards the end of the year (and beginning of each year).

With the ongoing palm oil to sugar cane conversion in Lampung, total oil palm estate size falls by about 2,000ha from previous year. On the other hand, planted sugar cane estate went significantly higher to **10,196 ha**. Management is concentrating our effort in ensuring conversion target of **15,000 ha** is achieved next year.

The newly constructed sugar mill will undergo testing schedule in the coming months and on track to commence operation when next year's sugar cane harvest starts in April 2017.

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



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