



P&L (IDR Millions) – YoY	1H2015	1H2014	Change (%)
Revenue	2,721,162	2,733,447	-0.4%
Gross Profit	600,035	603,531	-0.6%
Operating Profit	376,016	363,272	3.5%
NPAT	147,861	213,082	-30.6%
Normalized NPAT*	242,320	233,620	3.7%
Normalized EBITDA*	431,740	417,360	3.4%
Unrealized forex loss	(94,459)	(20,538)	359.9%

*Normalized for unrealized forex loss

BS (IDR Millions)	30 June 2015	31 Dec 2014	Change (%)
Asset	7,819,705	7,328,419	6.7%
Liability	5,287,045	4,864,002	8.7%
Equity	2,532,660	2,464,417	2.8%
Interest Bearing Debt	3,689,399	3,376,928	9.3%
Cash & cash equivalent	388,601	519,690	-25.2%

Ratios	1H2015	1H2014
Gross margin	22.1%	22.1%
Operating margin	13.8%	13.3%
Normalized Net margin	8.9%	8.5%
Normalized EBITDA margin	15.9%	15.3%
Net Debt to Equity	1.3	1.2
Normalized ROE	6.2%	6.4%
Normalized ROA	19.1%	19.0%

Sales Volume	1H2015	1H2014	Change (%)
CPO	73,460	81,785	-10.2%
Palm Cooking Oil	88,928	65,138	36.5%
PKO	38,763	41,312	-6.2%
Sugar	33,114	42,859	-22.7%

Sales Price (IDR/Kg) ex VAT	1H2015	1H2014	Change (%)
CPO	7,775	9,142	-15.0%
Palm Cooking Oil	8,902	10,101	-11.9%
PKO	12,260	11,877	3.2%
Sugar	8,426	7,514	12.1%

FINANCIAL HIGHLIGHTS

- Despite continued softening of the global CPO price in 2Q2015, TBLA's financial result for the 1st half of the year demonstrates the Company's ability to stay profitable and efficient in a difficult market.
- With Y-o-Y CPO ASP dropped by **15.0%** to **Rp7,775** per kg, the Company still managed to book an almost at par revenue compared to last year's, whilst Operating Profit and Normalized EBITDA managed to grow slightly by **3.5%** and **3.4%** respectively.
- Stronger contribution from TBLA's downstream business line help buffers negative effect from weakening CPO price. While Y-o-Y CPO sales volume went down by **10.2%**, Cooking oil and stearine sales went up by **36.5%** and **31.9%** respectively. This is in line with our long term strategy of building a strong retail brand in **ROSE BRAND** and creating sizable domestic outlet for our downstream products to balance out export related risks.
- As IDR depreciates further from **Rp12,440** to **Rp13,332** against USD at the end of June 2015, TBLA booked unrealized forex losses of **Rp94.5bn** in 1H2015, almost four times higher than 1H2014. This unrealized forex loss comes from marking to market USD debt for each period, since the Company's reporting is done in IDR. Cashflow wise, the Company is fully insulated from forex risk since majority of sales are made in USD. Normalizing earnings by taking out unrealized forex effect, which is a non cash item, might give better indication of the Company's operational performance.
- NPAT went down by **30.6%**, mostly from unrealized forex effect as explained above. When taking out unrealized forex losses effect, normalized NPAT grew by **3.7%** compared to previous year.
- Return profiles of the Company remains stable with ROA and ROE relatively unchanged. Operating, Normalized EBITDA and Normalized NPAT margin all improved slightly at **13.8%**, **15.9%** and **8.9%** respectively.
- Sugar sales volume went down by **22.7%** as the government has yet to allocate raw sugar import quota by the end of 1H2015. With the continuing supply shortage, sugar price as expected went up by **12.1%** from last year.



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1H2015 NEWSLETTER

Production Summary	1H2015	1H2014	Change (%)
FFB Harvested			
FFB Nucleus (MT)	227,348	333,526	-31.8%
FFB Plasma (MT)	75,205	66,526	13.0%
FFB 3 rd Party (MT)	422,504	328,207	28.7%
FFB Yield – Nucleus (MT/Ha)	6.9	8.9	-22.5%
Crude Palm Oil (CPO)			
CPO Production (MT)	145,801	138,702	5.1%
CPO Extraction Rate (OER)	21.8%	20.1%	8.5%
Palm Kernel Oil (PKO)			
PKO Production (MT)	35,136	41,031	-14.4%
Kernel Extraction Rate (KER)	42.4%	42.3%	0.2%

Planted Area (Ha)	30 June 2015	30 June 2014
Oil Palm		
Mature	44,128	49,041
Immature	9,388	7,796
Total Oil Palm	53,516	56,837
Sugar Cane	6,456	2,406

PRODUCTION & SALES SUMMARY

Average yield went down from 8.9 to 6.9 ton/ha as the dry weather start taking its toll. As a result 1H2015 FFB nucleus harvest dropped by **31.8%** compared to last year. To ensure undisturbed production run, 3rd party purchase was boosted up by **28.7%**.

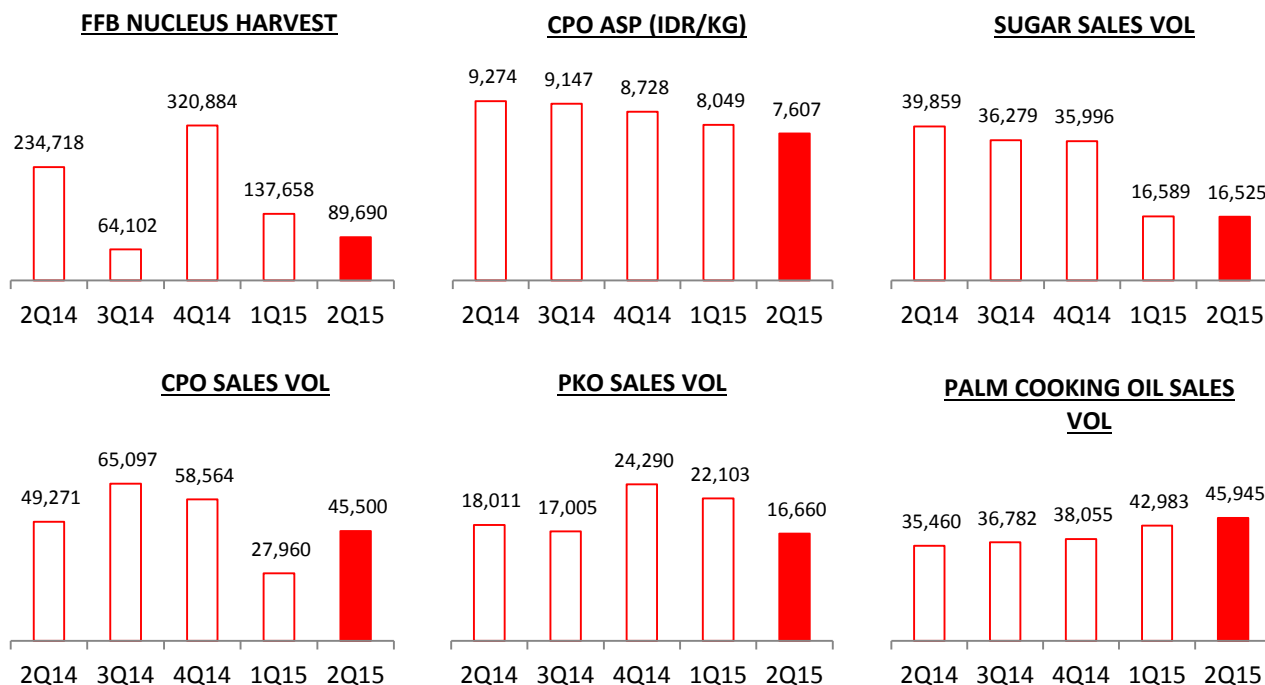
Q-o-Q CPO sales volume went higher by **62.7%**, but lower on Y-o-Y basis by **10.2%**. With weakening CPO price, TBLA allocates more of its CPO for downstream production, mainly cooking oil and stearine. While CPO ASP has been steadily declining over the past 6th consecutive quarter, and dropped by **15.0%** compared to 1H2014, stearine price actually went up by **21.7%** to **Rp8,902/kg** this year. Cooking oil price also went lower, but in a lesser extent to than CPO (dropped by **11.9%**).

Cooking oil sales continue to do well, as it posted another quarterly growth for the 7th consecutive quarter. This also represents an all time high quarterly sales record of **45,945 ton**. Stearine sales were also up by **31.9%** to **70,406 ton**. TBLA able to push production of downstream products even more now that the Company's latest oil palm refinery in Palembang (1,000 ton/hour) running at full speed.

Despite the absence of raw sugar import quota, quarterly sugar sales volume is still maintained with sugar proceed from our trading unit.

TBLA sugar mill construction continues to progress, while the Company's sugar cane plantation is growing in multiples from **2,406 ha** last year to **6,456 ha** this year to ensure adequate supply of sugarcane when the mill is completed in 4Q2016. TBLA has allocated **15,000 ha** of existing land bank for sugarcane plantation. Total oil palm plantation size decreased as the Company is converting old oil palm to sugar cane plantation in Lampung.

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



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