

HIGHLIGHTS

- In spite of uncertain climate, UNSP can still increase profit from its estates' operational activities through optimization of performance of its nucleus palm and rubber plantation in 2017.

2Q17 Performance

Income Statement (Rp bn)	2Q17	2Q16	YoY
Sales	743	771	-4%
COGS	392	609	-36%
Gross Profit	351	162	117%
Selling Expense	14	22	-36%
General & Administrative	196	186	5%
Operating Income	141	-46	-407%
Depreciation & Amortization	35	38	-8%
EBITDA	176	-8	-2300%
Finance Expense (Income)	345	354	-2%
Loss (Gain) on Foreign Exchange	-72	-302	-76%
Others Expense (Income)	340	-132	-358%
Net Income (Loss) Current Period	-472	34	-1472%

Compared to 2Q16, as of 2Q17 Operating Income have increased to Rp 141 bn while Sales have decreased to Rp 743 bn due to lower Sales volume

Margins	2Q17	2Q16
Gross Margin	47%	21%
Operating Margin	19%	-6%
EBITDA Margin	24%	-1%
Net Margin	-64%	4%

Sales Revenue (in IDR bn)	2Q17	2Q16	2Q17%
FFB	14	10	2%
CPO	391	478	53%
PK	68	84	9%
Rubber	270	199	36%
Oleo	0	0	0%
Total	743	771	100%

2Q17 Sales of Rp 743 bn were contributed from Palm (CPO, PK, FFB) 68%, and Rubber 32%

Sales Volume (Ton)	2Q17	2Q16	YoY
FFB	7,753	6,786	14%
CPO	46,613	65,587	-29%
PK	9,567	13,964	-31%
Rubber	9,957	11,805	-16%
Oleo	0	0	0%

Compared to 2Q16, as of 2Q17 Sales volume of main Palm and Rubber products were lower

Average Selling Price (in USD/Ton)	2Q17	2Q16	YoY
FFB	135	110	23%
CPO	629	543	16%
PK	533	448	19%
Rubber	2,034	1,256	62%
Oleo	0	0	0%
Average Exchange Rate (IDR/USD)	13,329	13,419	-1%

Compared to 2Q16, as of 2Q17 Palm and Rubber commodity prices were higher

2Q17 Palm Oil Production

FFB Supply (MT)	2Q17	2Q16	YoY
Nucleus Production	198,828	181,196	10%
Plasma Production	26,771	42,637	-37%
Purchased	-	115,091	-100%
Total FFB Supply	225,599	338,924	-33%
Total FFB Processed	217,017	329,807	
Nucleus yield/Ha	5.1	4.8	7%
Plasma yield/Ha	1.8	3.1	-40%
Mill Production (MT)	2Q17	2Q16	YoY
CPO	47,792	65,572	-27%
Palm Kernel	9,902	13,912	-29%
CPO Extraction Rate	22.0%	19.9%	11%
Kernel Extraction Rate	4.6%	4.2%	8.2%

Compared to 2Q16 as of 2Q17 CPO production decreased to 47,792 tons, due to decrease in FFB plasma and purchase

2Q17 Rubber Production

Field Rubber Supply (MT)	2Q17	2Q16	YoY
Nucleus Production	10,334	10,904	-5%
Purchased	-	1,702	-100%
Total Field Rubber Supply	10,334	12,606	-18%
Nucleus yield Kg/Ha		682	-100%
Factory Production (MT)			
Processed Rubber	9,885	11,785	

Compared to 2Q16 as of 2Q17 Rubber production decreased to 9,885 tons

Oil Palm and Rubber Plantation Hectarage

Hectarage (Ha)	2Q17	2Q16
Palm Nucleus		
Mature	38,696	37,624
Immature	4,698	7,350
Replanting		
New Replanting		
Planted	43,394	44,974
Plantable	5,762	4,110
Unplantable	3,512	3,476
Palm Plasma		
Mature	14,574	13,965
Immature	402	962
Planted	14,976	14,927
Total Palm - Planted	58,370	59,901
Total Palm - Plantable	5,762	4,110
Total Palm - Unplantable	3,512	3,476
Rubber		
Mature	16,925	15,984
Immature	2,177	3,152
Replanting		
New Replanting		
Planted	19,102	19,136
Plantable	1,646	2,154
Unplantable	2,748	2,314
Grand Total Planted	77,472	79,038
Grand Total Plantable	7,408	6,263
Grand Total Unplantable	6,260	5,790
Grand Total Hectares	91,140	91,091

As of 2Q17 BSP manages 43,505 hectares planted of palm nucleus, 14,976 hectares planted of palm plasma, and 19,102 hectares planted of rubber, for a total of 77,472 hectares planted

PT Bakrie Sumatera Plantations Tbk is an integrated and sustainable agrobusiness that operates in the business field of oil palm plantation and the production of palm oil and its derivatives; the business field of rubber plantation and the processing of natural rubber products; and the business field of processing oleochemicals products. The company has listed its shares in the Indonesia Stock Exchange since 1990 with ticker code UNSP.

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