

PT DHARMA SATYA NUSANTARA TBK (DSNG) INVESTOR NEWSLETTER

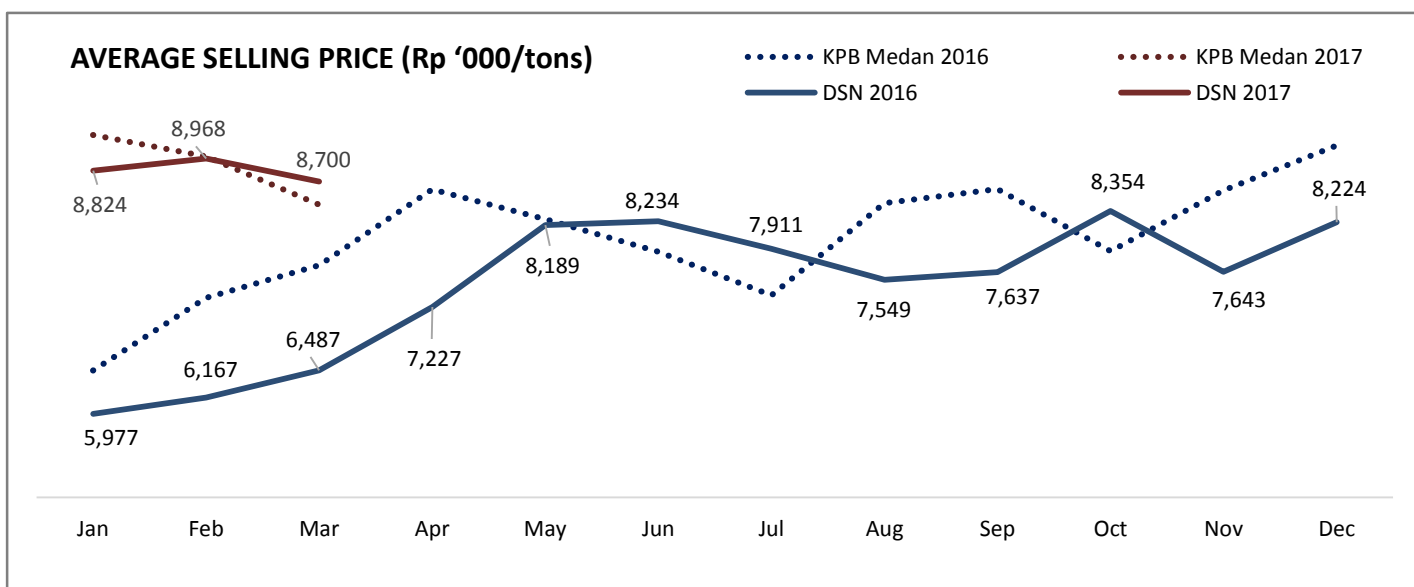
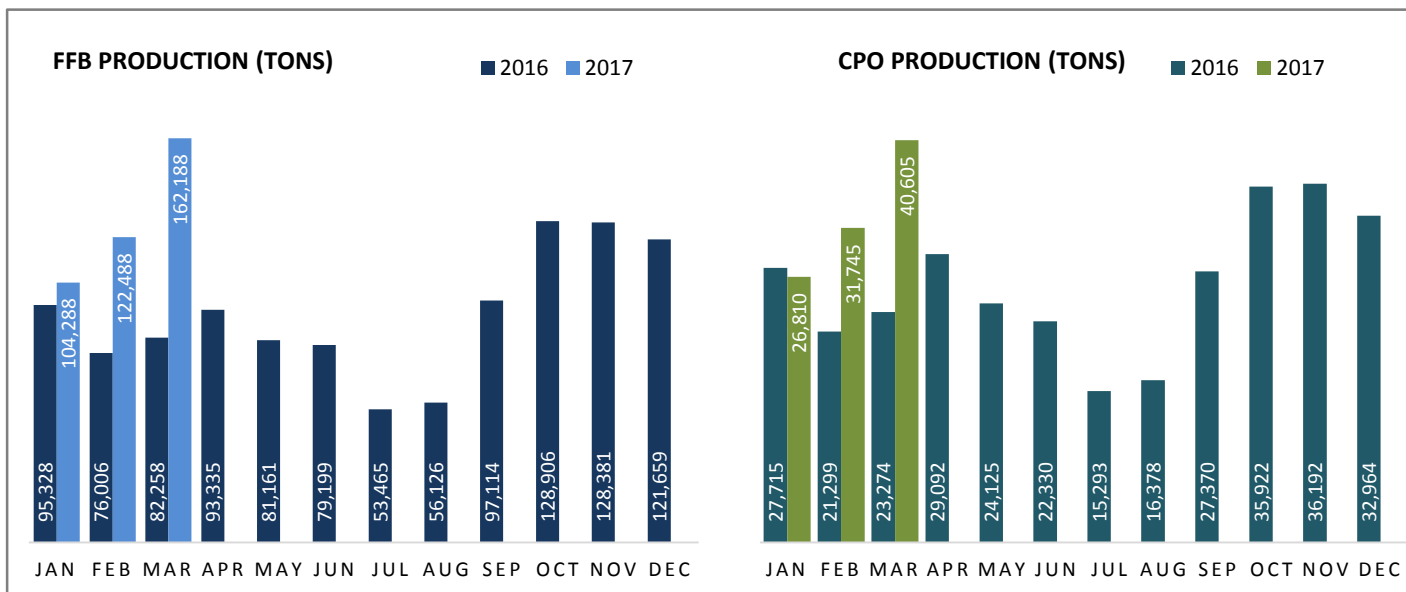


Our FFB production in the first three months of 2017 has shown a significant improvement as the rainfall has normalized following the El-Nino. Through March 2017, our FFB production reached 389.0 thousand tons, or 53.4% higher compare to the first quarter of 2016.

Mill productivity also rose as well, with FFB processed reaching 452.8 thousand tons, for an increase of 50.6% compared to same period last year, while CPO production also rose by 37.2% to 99.2 thousand tons in 2017.

The company's CPO sales volume was 97.8 thousand tons, an increase of 31.0%, with the average selling price of Rp 8.8 million per ton in first three months of 2017.

	3M-17	3M-16	% Δ	FY2016
Plantation, Performance				
FFB Production (ton)	388,964	253,592	53.4	1,092,937
- FFB Nucleus (ton)	345,690	227,161	52.2	977,629
- FFB Plasma (ton)	43,274	26,431	63.7	115,308
Mill Performance				
FFB Processed (ton)	452,794	300,678	50.6	1,306,365
CPO Production(ton)	99,160	72,287	37.2	311,952
PK Production (ton)	15,280	11,939	28.0	51,127
PKO Production (ton)	4,816	4,372	10.1	17,259
CPO OER (%)	21.90	24.04	(8.9)	23.88
FFA (%)	3.30	2.27	45.3	2.60
Sales Performance				
CPO (ton)	97,750	74,641	31.0	348,391
PK (ton)	2,859	2,628	8.8	11,067
PKO (ton)	7,001	3,500	100.0	17,451



PLANTED AREA

As of the end of March 2017, our mature area has reached 72,345 hectares, with an average age of 8.6 years. As of March 2017, we have not proceeded with any organic expansion, as we continue to review our available land bank in light of our sustainability policy.

Planted (as of March 2017) (ha)	Average Age (yr)	Planted Hectareage	
		Mature Area (ha)	Total Planted (ha)
Nucleus	9.5	60,527	69,368
Plasma	5.3	11,818	20,920
Total	8.6	72,345	90,288

WOOD PRODUCTS BUSINESS

	3M-17	3M-16	% Δ	FY2016
Sales Volume				
Engineered flooring (m2)	334,232	303,877	10.0	1,254,642
Engineered doors (Pcs)	8,991	15,271	(41.1)	59,447
Panel (m3)	17,490	28,395	(38.4)	92,235
Average Selling Price (Rp 'million)				
Engineered flooring (per m2)	0.37	0.39	(4.9)	0.37
Engineered doors (per pcs)	1.06	1.02	4.2	1.06
Panel (per m3)	5.04	4.79	5.0	4.86

In the first three months of 2017, our engineered flooring sales volume increased by 10.0% to 334.2 thousand m2, despite the average selling price (ASP) for engineered flooring declined by 4.9%.

Meanwhile, our wood panel and engineered door sales volume declined due to restructuring in our wood product manufacturing. However The ASP for both product rose by 4.2% and 5.0% respectively.

FINANCIAL SUMMARY

In the first quarter of 2017, the Company generated revenue of Rp 1.26 trillion, 61.7% higher compared to the same period last year due to the increase in CPO production as well as higher ASPs compared to the same period last year.

Gross profit rose by 124.4% to Rp 407.0 billion and operating profit also rose by 238.9% to Rp 247.0 billion. The Company posted a three-month EBITDA of Rp 331.1 billion, or 116.2% higher compared to the same period last year. Our EBITDA margin increased from 19.6% in 2016 to 26.3% in 2017.

The company's net profit (attributable to owners of the Company) for the period reached Rp 119.7 billion, up from Rp 14.1 billion last year as a result of higher revenue.

	In Million Rupiah	
	31 March 2017	31 March 2016
Revenue	1,260,915	779,955
Cost of Revenue	(853,892)	(598,598)
Gross Profit	407,023	181,357
<i>% margin</i>	32.3	23.3
Operating Profit	247,022	72,890
<i>% margin</i>	19.6	9.3
Profit Before Income Tax	186,358	25,991
<i>% margin</i>	14.8	3.3
EBITDA	331,095	153,128
<i>% margin</i>	26.3	19.6
Profit attributable to owners of the Company	119,661	14,103
<i>% margin</i>	9.5	1.8

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