



PT DHARMA SATYA NUSANTARA TBK (DSNG) INVESTOR NEWSLETTER

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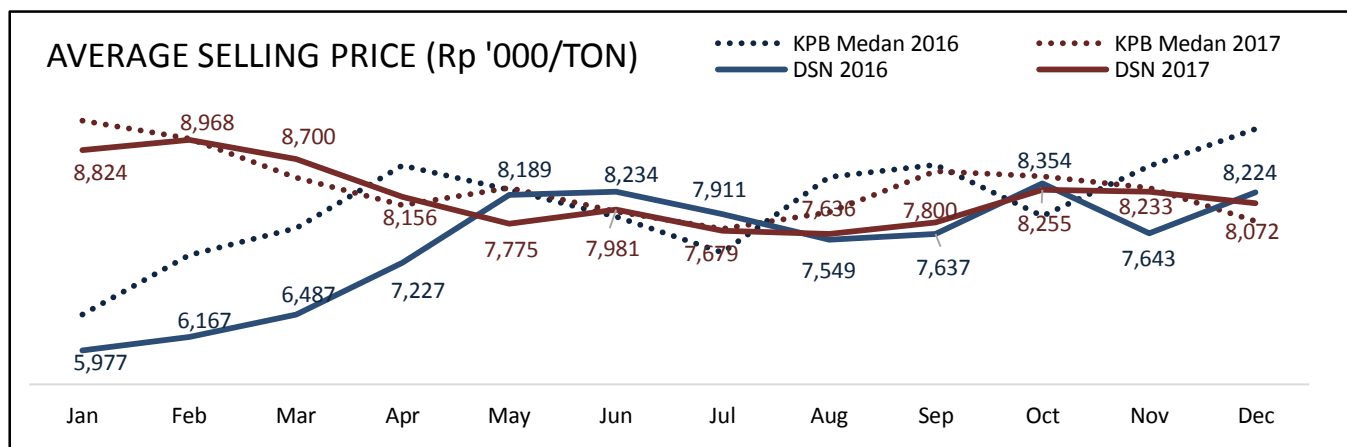
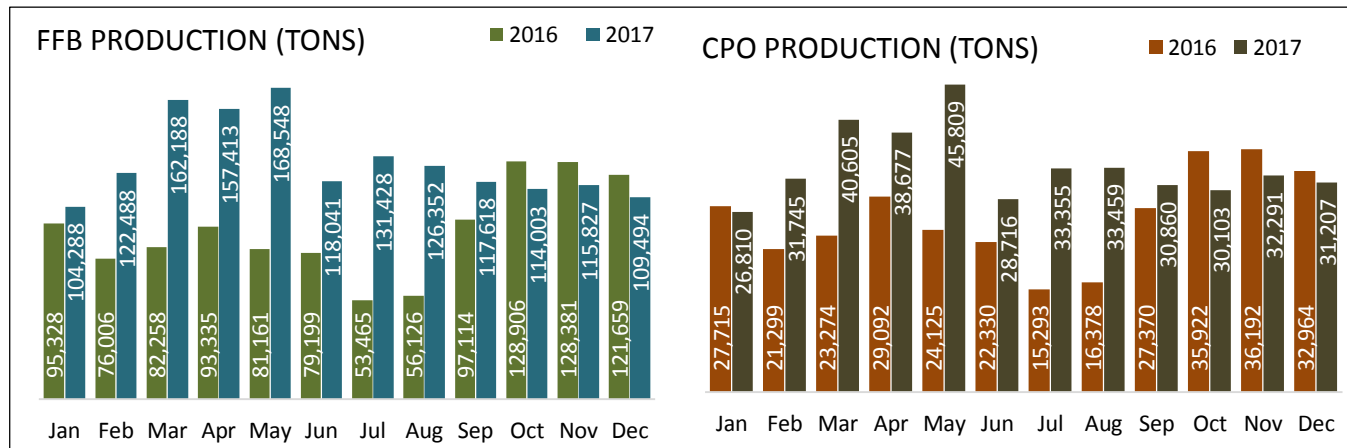
DSN's operating performance in 2017 has shown a significant improvement as FFB production has partially recovered from the El-Nino impact in 2015. Through December 2017, our FFB production reached 1.55 million tons, or 41.6% higher compared to full year 2016.

year, while CPO production also rose by 29.4% to 403.6 thousand tons.

The company's CPO sales volume in 2017 was 458.0 thousand tons, an increase of 31.5% compared to 2016, with an average selling price through December of Rp 8.1 million per ton, 8.0% higher compared to the previous year of Rp 7.5 million per ton.

Mill productivity rose as well, with FFB processed reaching 1.75 million tons, for an increase of 34.3% compared to the previous

	FY-2017	FY-2016	YoY%	Q1-2017	Q2-2017	Q3-2017	Q4-2017	QoQ%
Plantation Performance								
FFB Production (ton)	1,547,686	1,092,937	41.6	388,964	444,002	375,397	339,324	(9.6)
- FFB Nucleus (ton)	1,381,803	977,629	41.3	345,690	398,315	335,417	302,381	(9.8)
- FFB Plasma (ton)	165,884	115,308	43.9	43,274	45,687	39,980	36,943	(7.6)
Mill Performance								
FFB Processed (ton)	1,753,986	1,306,365	34.3	452,794	500,732	404,425	396,035	(2.1)
CPO Production (ton)	403,638	311,952	29.4	99,160	113,202	97,675	93,602	(4.2)
PK Production (ton)	65,092	51,127	27.3	15,280	17,892	15,817	16,103	1.8
PKO Production (ton)	24,284	17,259	40.7	4,816	7,576	6,198	5,694	(8.1)
CPO OER (%)	23.01	23.88	(3.6)	21.90	22.61	24.15	23.63	(2.1)
FFA (%)	2.96	2.60	13.6	3.30	3.06	2.75	2.69	(2.2)
Sales Performance								
CPO (ton)	457,973	348,391	31.5	97,750	143,336	106,029	110,858	4.6
PK (ton)	10,067	11,067	(9.0)	2,858	2,282	2,186	2,740	25.3
PKO (ton)	27,003	17,451	54.7	7,001	5,001	7,000	8,001	14.3



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PLANTED AREA

As of December 2017, the company's total planted area, including nucleus and plasma, reached 90,288 hectares, with the average age of 8.6 years. We continue to review our available land bank for future planting.

	Planted (as of December 2017) (ha)	Average Age (yr)	Planted Hectarage	
			Matured (ha)	Total Planted (ha)
Nucleus		9.5	60,527	69,369
Plasma		5.3	11,818	20,920
Total		8.6	72,345	90,288

WOOD PRODUCTS BUSINESS

In 2017, our panel and engineered flooring recorded a decline in sales volume, while engineered doors increased slightly by 10.8%. Sales volume of our panel products in the final three months, however, showed an increase compared to the previous quarter due to higher demand.

Average selling prices of panels and engineered flooring rose by 8.4% and 4.5% respectively, while engineered doors fell slightly by 7.2%.

	FY-2017	FY-2016	% YoY	Q1-2017	Q2-2017	Q3-2017	Q4-2017	QoQ%
Sales Volume								
Panel (m3)	70,679	92,235	(23.4)	17,489	15,085	18,265	19,840	8.6
Engineered doors (Pcs)	65,877	59,447	10.8	8,991	13,011	23,064	20,811	(9.8)
Engineered flooring (m2)	1,249,734	1,254,642	(0.4)	334,232	257,769	360,603	297,130	(17.6)
Average Selling Price								
Panel (Rp 'million /m3)	5.27	4.86	8.4	5.04	5.17	5.42	5.40	(0.2)
Engineered doors (Rp 'million /pcs)	0.99	1.06	(7.2)	1.06	1.14	0.93	0.92	(0.6)
Engineered flooring (Rp 'million /m2)	0.39	0.37	4.5	0.37	0.39	0.39	0.40	2.8

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