

6m18 FFB production up by 26%

- FFB production through June 2018 reached 763,212MT, up by 26% compared to the same period last year; this is because of the weather that was in our favor and the effective mechanization.

Field Operation	FY16	FY17	FY17/16	6m17	6m18	6m18/17
Planted Area (Ha)	70,124.83	71,076.02	101%	70,488.21	71,119.38	101%
Immature	14,751.47	7,003.67	47%	6,415.86	4,918.34	77%
Mature	55,373.36	64,072.35	116%	64,072.35	66,201.03	103%

Production Summary	FY16	FY17	FY17/16	6m17	6m18	6m18/17
FFB Production (Mt)	1,064,216	1,231,485	116%	607,106	763,212	126%
Yield for the period (Mt/Ha)	19.20	19.22	100%	9.17	11.53	126%
Average age (Years)	7.80	8.70		8.30	9.17	

6m18 Financial Performance

The Company has just released its limited review Financial Report for first half 2018. This financial report already includes the USD 300million global bonds issued in January 2018, also updated with the new PSAK regulation no 69 on biological assets.

Comp. Income (Rp bn)	6m17	6m18	6m18 /17
Sales	1,558.67	1,892.15	121.4%
Cost of Goods Sold	783.8	934.0	119.2%
Gross income	774.9	958.2	123.7%
G&A expenses	167.0	229.7	137.6%
Operating income	527.2	728.5	138.2%
Finance income (costs)	-35.2	-146.7	416.8%
Income for the year/period	365.3	324.8	88.9%
Profitability (%)	6m17	6m18	6m18 /17
Gross margin	49.71%	50.64%	101.87%
Operating margin	34.71%	38.50%	110.93%
Net margin	17.17%	23.44%	136.53%
Financial Position (Rp bn)	6m17	6m18	6m18 /17
Assets	9,270.52	10,786.65	116%
Current assets	3,907.76	5,940.28	152%
Non-current assets	5,362.76	4,846.36	90%
Current liability	962.13	1,099.01	114%
Non-current liability	4,681.04	5,337.94	114%
Equity	3,627.35	4,298.93	119%

Company's first half updated

The Company has carried out the first coupon payment of USD11,625,000 to Bank of New York Mellon, New York branch which scheduled every July 23 and January 23. This coupon payment is a part of SSMS's commitment to fulfill financial obligation related to its global bond worth USD300 million. The bonds were issued on January 23, 2018 with a five-year tenor, namely 2018 – 2023. The full principle payment will be made on due date with interest rate at 7.75% per year.

Most of the funds resulted from the Company's global bonds were used for bank loan refinancing, releasing the Company from paying quarterly principal loan. SSMS has also allocated 3.4% or USD10 million of the funds raised by the global bonds to support the company's sustainability programs.

In the second quarter (Q2) of 2018, SSMS handed over up to 400 cattle to a group of plasma farmers in Pangkalan Lada as part of the company's program to promote the oil palm – cattle integration practice. SSMS also complemented the innovative program by providing a Community Farm Field School/Sekolah Lapang Peternakan Rakyat program for the plasma farmer families.

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