

PRESS RELEASE



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Profit of the Year PT. TIMAH Tbk reached Rp502 billion or increased by 99%

Jakarta, March 5th 2018, PT TIMAH Tbk (IDX: TINS) announced its consolidated financial statements for the period of December 31, 2017. The Company managed to achieve its best performance with increase in profit for the year by 99% to Rp502 billion and increase in EBITDA by 38% to Rp1,447 billion.

PT TIMAH's Corporate Secretary, Amin Haris Sugiarto, said: "The Company's strong commitment in executing its operational and financial strategies since the previous period is one of the fundamental factors in improving the Company's performance in 2017. In addition, the demand increase for refined tin is also a factor in the achievement of the Company's performance in 2017. Based on data from *the International Tin Association*, the world's tin consumption has increased by 3.2% from the previous year, driven largely by the growth of the electronics industry. During 2017, the Company recorded increase of refined tin sales volume by 12% to 29,914 Mton in 2017. By maintaining our present performance, we hope that by 2018 are able to continue positive performance and able to contribute more to our stakeholders & shareholders for better future".

Summary of the Company's financial performance:

Expressed in billion Rupiah	31-Dec-17	30-Dec-16	Change	
			+/-	%
Financial performance				
Revenue	9,217	6,968	2,249	32%
Cost of revenue	7,692	5,873	1,818	31%
Gross profit	1,526	1,095	431	39%
Operating profit	731	498	233	47%
Profit for the Year ¹⁾	502	252	250	99%
EBITDA ²⁾	1,447	1,047	400	38%
Capital expenditure	779	535	244	46%
Financial ratio				
Gross profit margin	17%	16%		
Operating profit margin	8%	7%		
EBITDA margin	16%	15%		

Notes

¹ Profit for the year is profit before other comprehensive income

² EBITDA: Operating profit + Depreciation & amortization + Interest expense

³ Capital expenditure: Purchase of fixed assets, excluding mining properties cost

FINANCIAL PERFORMANCE ANALYSIS FOR YEAR ENDED 31 DECEMBER 2017

- The Company recorded revenues of Rp9.2 trillion, which increased by Rp2.2 trillion from the same period in 2016. This increase in revenue was driven by increased demand for world refined tin and increase in the average selling price of refined tin. Recorded during the year 2017 world tin consumption increased by 3.2%, especially in Japan, Europe and the United States that as of December 31, 2017 the Company's refined tin sales volume increased by 12% to 29,914 Mton from the previous year of 26,677 Mton. Meanwhile, the average selling price of the Company increased by 11% to \$20,429/t from the previous year of \$18,408/t.
- As of December 2017, Cost of revenues increased 31% from the previous year to Rp 7.7 trillion. Significant increase in tin production is one of the main causes of the increase in overall cost of revenue. The largest contribution from the increase comes from raw materials of tin ore by 92%, salaries & allowances 8% and fuel 6%. The cost of tin ore raw materials increased by 61% to Rp4.4 trillion and fuel increased by 25% to Rp527 billion. Meanwhile, the increase in salaries and allowances is one of the Company's appreciations for the achievement of performance improvement during 2017.
- EBITDA increased by 38% to Rp1.4 trillion from Rp1.0 trillion in the same period of 2016. The increase is in line with the improved average selling price of refined tin by the end of 2017, improving the Company's operational performance and efficiency in a sustainable manner.
- As of December 2017 the company's total capital expenditure amounted to Rp779 billion. Of the total capital expenditure, the Company has allocated Rp293 billion for machinery and installations, Rp68 billion for exploration, mining and production equipment where the cost is used for capacity enlargement on machinery and installation. The rest is used for production support facilities, recondition and replacement and for other operational needs.

Summary of the Company's operating performance:

Expressed in full units		31-Dec-17	30-Dec-16	Change	
				+/-	%
Operation performance					
Production of tin ore	ton	31,178	24,121	7,057	29%
Production of refined tin	Mton	30,249	23,756	6,492	27%
Sales of refined tin	Mton	29,914	26,677	3,237	12%
Average selling price	\$/Mton	20,429	18,408	2,022	11%
Inventory					
Tin ore	ton	870	1,999	(1,129)	-56%
Slag	ton	10,241	8,658	1,583	18%
Refined	Mton	2,791	3,435	(643)	-19%
Tin chemical					
Production	ton	5,468	1,998	3,470	174%
Sales	ton	5,270	2,015	3,255	162%
Average selling price	\$/ton	6,662	5,938	724	12%
Tin solder					
Production	ton	1,167	457	710	155%
Sales	ton	1,078	463	615	133%
Average selling price	\$/ton	19,983	17,875	2,108	12%

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