



PRESS RELEASE

IndoAgri's 1H2008 net profit rose 263% to Rp1.3 trillion (S\$185 million)

- Group's 1H2008 revenue up 132% to Rp6.1 trillion (S\$903 million) with improved performance recorded across all business divisions
- Gross profits in 1H2008 soared 251% driven by acquisitions, organic growth and rising CPO prices.
- CPO sales volume increased from 134,731mt to 344,240mt
- Sales of branded cooking oil increased by 18%
- Gross margin improved from 24% in 1H2007 to 37% in 1H2008.

SINGAPORE – 14 August 2008 – SGX Mainboard-listed Indofood Agri Resources Ltd. (“IndoAgri” or “the Group”), a major vertically integrated agribusiness group and manufacturer of leading brands of edible oils and fats in Indonesia's, has posted a 263% increase in its net profit attributable to shareholders to Rp1.3 trillion (S\$185 million) for the six months ended 30 June 2008 (“1H2008”).

FINANCIAL HIGHLIGHTS (Unaudited)

	Rp' billion			S\$ 'million ¹	
	1H2008	1H2007	Change %	1H2008	1H2007
Revenue	6,120	2,638	132%	903	389
Gross Profit	2,261	645	251%	334	95
Gross Margin (%)	37%	24%		37%	24%
Gain arising from changes in fair values of biological assets	646	135	380%	95	20
EBITDA *	2,069	551	276%	305	81
Profit From Operations	2,586	625	314%	381	92
Profit Before Taxation	2,424	567	327%	358	84
Net Profit	1,647	390	323%	243	57
Attributable Net Profit	1,252	345	263%	185	51
EPS (fully diluted) – Rp/S\$ cents	865	272	218%	12.8	4.0

* Excluding depreciation, amortisation and gain arising from changes in fair value of biological assets

¹ Converted at exchange rate of Rp6,779 to S\$1

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Group's 1H2008 revenue increased 132% to Rp6.1 trillion (S\$903 million), with higher sales registered across all business divisions. The improved performance was attributed mainly to positive contributions from the acquisitions of new subsidiaries (particularly Lonsum) in 2007, together with the higher volume growth and higher prices for Crude Palm Oil ("CPO") and other edible oil products. In line with the strong revenue performance, gross profit soared 251% to Rp2.3 trillion (S\$334 million) for the corresponding period while gross margin improved from 24% in 1H2007 to 37% in 1H2008.

Plantation division remains the core business, contributing around 90% of the operating profit. This division continued to post strong growth with revenue growing 344% in 1H2008, with CPO sales volume increasing from 134,731mt to 344,240mt and favourable CPO prices. Cooking oil and fats division continued to enjoy strong growth momentum, posting a revenue growth of 79% due to higher selling prices and 18% volume growth in branded cooking oil. The increase in the average selling price of copra and palm oil-based products have helped Commodity division to deliver a 42% revenue growth in 1H2008.

EBITDA recorded a 276% increase to Rp2.1 trillion (S\$305 million), in line with the strong performances from all business divisions. This was achieved despite higher selling and distribution costs on higher Indonesia export tax rate and higher G&A expenses for the enlarged group.

The Group recorded a net profit after tax of Rp1.6 trillion (S\$246 million) in 1H2008. The attributable net profit after tax was Rp1.3 trillion (S\$185 million), up 263% for the corresponding period.

Mr Mark Wakeford, CEO and Executive Director of IndoAgri said, ***"We have achieved another set of strong results and improved margins as we continue to capitalize on our integrated agribusiness model. Most notable is the improved CPO production, and the 18% growth in our sales of branded cooking oil. Our focus remains on improving plantation yields, new planting program and cost efficiencies to ensure we remain a low cost producer. We also announced in July the completion of the refinancing of the Rp 4 trillion of bridging financing for the Lonsum acquisition, and our balance sheet remains strong with a net debt to equity ratio of 0.34. "***



INDUSTRY OUTLOOK

Palm oil is the most widely consumed edible oil in the world with 25% global market share in 2007. With 80% of the world's palm oil supply coming from South East Asia, IndoAgri is poised to capitalize on the growing business opportunities through its leading market position in the region.

The recent fall in petroleum prices and higher CPO stock in Malaysia have led to a fall in CPO prices. Despite this, the outlook for palm oil demand remains positive mainly due to growth in China and India, and the growing demand for biodiesel.

The Group will continue to focus on optimizing cost of production, and increasing production of CPO and sales of branded edible oil products. This will ensure the Group is well positioned to face the challenges ahead.

Mr Mark Wakeford, CEO and Executive Director of IndoAgri said, ***"Despite the recent falling CPO prices, supply and demand fundamentals for CPO remain favorable. Capitalising on this growth potential, we plan to expand our oil palm planted area to 250,000 ha by end of 2010. We are investing in a new refinery in Jakarta to further capture demand growth in Indonesia for our branded edible oil products. Together this will further enhance our strategic position as a leading agribusiness player in the region."***

---The End ---

ABOUT INDOFOOD AGRI RESOURCES LTD.

Indofood Agri Resources Ltd ("IndoAgri") is a vertically integrated agribusiness group with business operations that range from research and development in the breeding and cultivation of oil palms, to the milling and refining of crude palm oil, and the marketing and distribution of cooking oil, margarine, shortening and other derivative products. The Group also engages in the cultivation of other crops such as rubber, cocoa and tea.

At present, IndoAgri - owns a vast land bank of 407,171 hectares spread throughout the Indonesian archipelago. Of this, 168,456 hectares and 22,414 hectares are planted with oil palm and rubbers, respectively. Additionally, IndoAgri also has 3,364 hectares of other crops such as cocoa, tea and coconut. . The Group's acquisition of PT PP London Sumatra Indonesia Tbk in Q4 2007 has also further strengthened IndoAgri's market leader position in Indonesia's palm oil industry.

IndoAgri has also recently completed the shares subscription in PT Lajuperdana Indah (representing a 60% interest), which will enable the Group to expand its existing agribusiness activities into the areas of sugar cane cultivation and processing. The sugar industry in Indonesia presents a new and attractive investment proposition with demand driven by factors such as population growth, rapid development of processed food and beverage industries and the continued expansions of sugar-based industries such as ethanol.



For more information please visit our website at: www.indofoodagri.com

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