

FOR IMMEDIATE RELEASE

## IndoAgri posts another consecutive quarter of strong results, 2Q11 attributable profit up 31.3% yoy to Rp309 billion (\$\$44 million)<sup>1</sup>

### HIGHLIGHTS:

- Revenue grew 53.1% yoy in 2Q11 mainly attributable to higher sales volume and average selling prices of edible oils and fats products and palm products
- EBITDA up 43.4% yoy in 2Q11 with higher profit contribution from all divisions, particularly Plantation Division
- Net Profit After Tax grew an impressive 76.3% yoy to Rp561 billion (\$\$81 million) in 2Q11 on higher profit from operations
- Financial position improved significantly with net gearing ratio of 0.06x and a cash balance of Rp6,065 billion (\$\$868 million) at end-June 2011

**SINGAPORE – 12 August 2011** – SGX Main board-listed IndoAgri (the “Group”), a diversified and integrated agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, achieved another consecutive set of impressive results with 2Q11 and 1H11 revenue growth of 53.1% and 45.8% over the corresponding periods in 2010. The strong sales growth was mainly attributable to the combined positive effects of higher sales volume and average selling prices for edible oils and fats products and palm products.

In Rp' billion	2Q11	2Q10	Change %	1H11	1H10	Change %
<b>Revenue</b>	3,208	2,095	<b>53.1%</b>	6,135	4,207	<b>45.8%</b>
Gross Profit	1,074	766	40.1%	2,417	1,564	54.5%
Gross Margin (%)	33.5%	36.6%		39.4%	37.2%	
<b>EBITDA <sup>2</sup></b>	<b>895</b>	<b>624</b>	<b>43.4%</b>	<b>2,024</b>	<b>1,304</b>	<b>55.2%</b>
EBITDA Margin (%)	27.9%	29.8%		33.0%	31.0%	
Profit From Operations	806	551	46.1%	1,872	1,172	59.7%
Profit Before Taxation	734	448	64.0%	1,724	994	73.4%
Net Profit After Tax	561	318	76.3%	1,295	723	79.0%
<b>Attributable Net Profit</b>	<b>309</b>	<b>235</b>	<b>31.3%</b>	<b>823</b>	<b>545</b>	<b>51.0%</b>
EPS (fully diluted) - Rp	213	164	30.5%	569	379	50.1%

Gross profit grew 40.1% and 54.5% in 2Q11 and 1H11 over the comparative periods in 2010 primarily due to strong sales contribution from all divisions, particularly Plantation Division.

<sup>1</sup> Income Statement and Balance Sheet items are converted at exchange rates of Rp6,963/\$\$1 and Rp 6,985/\$\$1, respectively.

<sup>2</sup> Earnings before interests and tax expense, depreciation and amortisation, and gain/loss from changes in fair value of biological assets and foreign exchange gains.

The Group reported strong attributable profits of Rp309 billion (S\$44 million) in 2Q11 and Rp823 billion (S\$118 million) in 1H11, registering 31.3% and 51.0% increase over the comparative periods in 2010.

***“We are pleased to achieve another strong set of results. Our FFB nucleus and CPO production in 1H11 grew 14% and 18% yoy to 1,264,000 tonnes and 381,000 tonnes, respectively. Following the listing of our main subsidiary, PT SIMP on the Indonesia Stock Exchange in June 2011, the Group’s financial position was strengthened significantly with net gearing reducing from 0.3x in last year end to 0.06x as of June 2011, and a cash balance of Rp6,065 billion (S\$868 million).”, commented Mr Mark Wakeford, CEO and Executive Director.***

## **INDUSTRY OUTLOOK AND FUTURE PLANS**

CPO prices (CIF Rotterdam) remained well supported in 1H2011 with an average of US\$1,199 per tonne as compared to US\$901 per tonne in FY2010. This demonstrates the positive fundamentals for palm oil supported by the improved global economic climate, underpinned by consumption growth from India, China and other emerging Asian economies, and coupled with demand for biodiesel driven by government mandates in Europe, Brazil, and Argentina. In addition, we expect the demand for palm oil products in Indonesia to remain supported in the short to medium term by demand from the food and beverage industry and population growth.

Likewise, rubber prices (RSS3 SICOM) stayed robust with an average of US\$5,522 per tonne in 1H2011 as compared to US\$3,758 per tonne in FY2010, supported by high demand fuelled by the strong automotive sector in emerging markets (especially China), together with demand growth in more developed economies especially Europe and United States. Sugar prices (LIFFE) continued to rise with an average of US\$711 per tonne in 1H2011 as compared to US\$616 per tonne in FY2010 as the sugar production has been affected by adverse weather conditions, and downgrades of the Brazilian sugar crop.

Mr Wakeford added, ***“The CPO stock levels and supply are expected to rise in the second half of the year as we enter into the usual peak production season for palm. However, the recent widening of palm oil’s price discount to soya oil and increasing festival demand in 3Q2011 could lend certain support for palm oil prices in the near term. In addition, our 1H11 edible oils and fats sales volume increased by 20% yoy supported by the increased refining capacity of the new Jakarta refinery, demonstrating the strength of our leading brands in cooking oil and margarine.”***

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## **ABOUT INDOAGRI**

**Indofood Agri Resources Ltd. (“IndoAgri”)** is a diversified and integrated agribusiness group with principal business operations that range from research and development, 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, sugar cane, cocoa and tea.

As of June 2011, IndoAgri has 242,319 hectares planted with oil palm, rubber, sugar cane, cocoa and tea.

For more information please visit our website at: [www.indofoodagri.com](http://www.indofoodagri.com)

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