

PRESS RELEASE

IndoAgri's 3Q09 attributable profit up 8.2% to Rp316 billion (S\$43 million)

- 3Q09 revenue fell 23.3% reflecting lower average selling prices of plantation crops and edible oil products, and lower cooking oil volume
- 3Q09 EBITDA margin expanded to 31.1% from 23.7% on lower operating expenses and foreign currency gains
- 3Q09 crude palm oil (CPO) production jumped 6% to 199,000 tonnes

SINGAPORE – 11 November 2009 – SGX Main board-listed IndoAgri (“the Group”), a major vertically integrated agribusiness group and manufacturer of leading brands of edible oils and fats in Indonesia, reported a 3Q09 attributable profit of Rp316 billion (S\$43 million), an increase of 8.2% over 3Q08.

FINANCIAL HIGHLIGHTS

	Rp' billion						S\$' million ¹	
	3Q09	3Q08	3Q09 vs. 3Q08	9M09	9M08	9M09 vs 9M08	9M09	9M08
Revenue	2,481	3,234	(23.3%)	6,765	9,355	(27.7%)	925	1,279
Gross Profit	776	1,062	(26.9%)	2,366	3,434	(31.1%)	323	469
Gross Margin (%)	31.3%	32.8%		35.0%	36.7%		35.0%	36.7%
EBITDA ²	771	765	0.7%	2,279	2,779	(18.0%)	312	380
EBITDA Margin (%)	31.1%	23.7%		33.7%	29.7%		33.7%	29.7%
Gains arising from changes in fair value of biological assets	-	-	-	593	691	(14.2%)	81	94
Profit From Operations	677	674	0.4%	2,619	3,249	(19.4%)	358	444
Profit Before Taxation	567	606	(6.3%)	2,329	3,015	(22.8%)	318	412
Net Profit After Tax	395	398	(0.9%)	1,673	2,035	(17.8%)	229	278
Attributable Net Profit	316	293	8.2%	1,239	1,539	(19.5%)	169	210
EPS (fully diluted)								
– Rp/S\$ cents	220	202	8.9%	861	1,063	(19.0%)	11.77	14.53

n.m. denotes "Not Meaningful"

The Group's 3Q09 revenue fell 23.3% to Rp2.5 trillion (S\$339 million) from Rp3.2 trillion (S\$442 million) in 3Q08 due to the combined effects of lower average selling prices of palm oil products, rubber and edible oil products, as well as lower cooking oil sales volume. This was offset partially by higher sales volume of CPO, palm kernel and rubber. The Group's 9M09 revenue fell 27.7% against 9M08 due to lower sales across all divisions given the higher average selling prices of plantation crops and edible oil products last year.

¹ Converted at exchange rate of Rp7,316 to S\$1

² Earnings before interests and tax expense, depreciation and amortisation, and gain/loss from changes in fair value of biological assets.

3Q09 EBITDA margin expanded to 31.1% from 23.7% in 3Q08. The improved margin was due to reduced selling and distribution costs on lower export taxes, lower G&A expenses and net gains on foreign currency. On year-to-date basis, EBITDA margin likewise improved to 33.7% from 29.7% last year.

Mr. Mark Wakeford, CEO and Executive Director commented, ***“We are pleased to announce that our 3Q09 attributable profit was 8.2% higher than 3Q08. CPO prices (Rotterdam CIF) have recovered from the lows of US\$512 a tonne in 4Q08 to US\$680 in 3Q09. Our CPO production grew 6% in 3Q09 and 4% in 9M09 to 199,000 tonnes and 538,900 tonnes respectively on higher production in South Sumatra and Kalimantan”.***

The Group recorded attributable profit of Rp316 billion (S\$43 million) in 3Q09, up 8.2% from 3Q08 after taking into account a lower effective tax arising from a reduced corporate tax rate and the non-taxability of net gains on foreign currency. The Group’s 9M09 attributed profit was Rp1.2 trillion (S\$169 million), a decline of 19.5% compared to 9M08.

INDUSTRY OUTLOOK AND FUTURE PLANS

With the signs of stabilisation in the global economy and commodity demand outlook, commodity prices have rebounded strongly. The CPO price (Rotterdam CIF) has recovered to an average of US\$680 a tonne in 3Q09 compared to US\$512 in 4Q08, with crude oil price at around US\$70 per barrel in 3Q09. The recovery in the CPO prices was supported by the following:-

- A severe drought in Argentina reducing its soyabean crop from 46 to 32 million tonnes, leading to higher demand for CPO;
- Increased imports and consumption of vegetable oils in India;
- Consistent demand for palm oil given its price competitiveness resulting in a drawdown of stocks; and
- Tighter supply given that 2009 CPO production in Malaysia is expected to fall 4.1% to 17 million tonnes, from a year ago of 17.7 million tonnes (Source: The Ministry of Finance of Malaysia).

On a longer term, the palm oil industry remains positive as palm oil is the most widely consumed vegetable oil at 27% compared to soybean 22% and rapeseed oil 13%. We expect demand for palm oil to remain relatively resilient in 2009 despite the challenging economic climate.

As part of its strategic focus on enhancing its competitive edge, the Group will continue to leverage on the strength of our integrated agribusiness model and our commitment in R&D and strong seed breeding. In addition, the Group also continues to focus on our corporate social responsibilities and sustainable development of our plantations and palm oil production.

Mr Wakeford added that, ***“The Group will continue to manage our cash flow prudently and undertake to optimise our capital structure. In this aspect, the Group is in the progress of completing an initial offering of 5-year Indonesian Rupiah Bonds and Islamic Lease-based Bonds amounting up to Rp1.0 trillion and Rp0.25 trillion (aggregate to approximately US\$125 million) principally to refinance its existing borrowings. The bond offering is expected to be completed by the end of November 2009.”***

---The End ---

ABOUT INDOAGRI.

Indofood Agri Resources Ltd. (“IndoAgri”) is a vertically 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, cacao and tea.

As of end September 2009, IndoAgri owns a land bank of 539,287 hectares spread throughout Indonesian. Of this, 187,242 hectares and 22,022 hectares are planted with oil palm and rubber, respectively. Additionally, IndoAgri also has 10,367 hectares of other crops such as sugar cane, cacao, tea and coconut.

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