

## UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011

1(a)(i) A comprehensive income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group – Q2			Group – YTD 6 months		
	30/06/2011	30/06/2010	Change	30/06/2011	30/06/2010	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,207,889	2,095,426	53.1	6,135,175	4,207,056	45.8
Cost of sales	(2,134,180)	(1,329,290)	60.6	(3,718,038)	(2,642,571)	40.7
<b>Gross Profit</b>	<b>1,073,709</b>	<b>766,136</b>	<b>40.1</b>	<b>2,417,137</b>	<b>1,564,485</b>	<b>54.5</b>
Gross Profit %	33.5%	36.6%		39.4%	37.2%	
Selling and distribution costs	(73,358)	(60,781)	20.7	(164,359)	(112,984)	45.5
General and administrative expenses	(191,950)	(168,979)	13.6	(393,570)	(336,179)	17.1
Foreign exchange gains	33,715	7,983	322.3	76,025	43,109	76.4
Other operating income	19,070	16,088	18.5	32,500	38,918	(16.5)
Share in loss of an associated company	(691)	(966)	(28.5)	(1,548)	(1,569)	(1.3)
Other operating expenses	(54,763)	(28,308)	93.5	(94,429)	(44,230)	113.5
<b>Profit from operations before biological asset gains</b>	<b>805,732</b>	<b>531,173</b>	<b>51.7</b>	<b>1,871,756</b>	<b>1,151,550</b>	<b>62.5</b>
Gain arising from changes in fair value of biological assets	-	20,176	n/m	-	20,176	n/m
<b>Profit from operations include biological asset gains</b>	<b>805,732</b>	<b>551,349</b>	<b>46.1</b>	<b>1,871,756</b>	<b>1,171,726</b>	<b>59.7</b>
Financial income	54,063	16,517	227.3	94,458	36,323	160.1
Financial expenses	(125,619)	(120,116)	4.6	(242,706)	(214,380)	13.2
<b>Profit before tax</b>	<b>734,176</b>	<b>447,750</b>	<b>64.0</b>	<b>1,723,508</b>	<b>993,669</b>	<b>73.4</b>
Income tax expense	(173,410)	(129,623)	33.8	(428,708)	(270,474)	58.5
<b>Net profit / total comprehensive income for the period</b>	<b>560,766</b>	<b>318,127</b>	<b>76.3</b>	<b>1,294,800</b>	<b>723,195</b>	<b>79.0</b>
<b>Total comprehensive income attributable to:-</b>						
- Owners of the parent	309,062	235,444	31.3	823,393	545,288	51.0
- Non-controlling interests	251,704	82,683	204.4	471,407	177,907	165.0
	<b>560,766</b>	<b>318,127</b>	<b>76.3</b>	<b>1,294,800</b>	<b>723,195</b>	<b>79.0</b>

Note : There were no other comprehensive income during the period.  
 n.m. denotes "Not Meaningful"

**Additional Information:-**

Earnings before interests and tax expense, depreciation and amortisation, and gain/loss arising from changes in fair value of biological assets (“EBITDA”)

	Group – Q2			Group – YTD 6 months		
	30/06/2011	30/06/2010	Change	30/06/2011	30/06/2010	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	805,732	551,349	46.1	1,871,756	1,171,726	59.7
Add: Depreciation & amortisation	122,764	100,914	21.7	228,236	196,038	16.4
Add: Gain arising from changes in fair value of biological assets	-	(20,176)	n/m	-	(20,176)	n/m
EBITDA includes forex gains	928,496	632,087	46.9	2,099,992	1,347,588	55.8
Less: Foreign exchange gains	33,715	7,983	322.3	76,025	43,109	76.4
EBITDA excludes foreign exchange gains	894,781	624,104	43.4	2,023,967	1,304,479	55.2
EBITDA%	27.9%	29.8%		33.0%	31.0%	

Earnings per share (EPS) and net assets value (NAV) per share

	Group – YTD 6 months		
	30/06/2011	30/06/2010	Change %
In SGD 'cents (converted at Rp6,963/S\$1)			
EPS	8.2	5.4	50.1

	Group		
	30/06/2011	31/12/2010	Change %
In SGD 'cents (converted at Rp6,985/S\$1)			
NAV per share	121.0	108.9	11.1

**1(a)(ii). Profit before income tax is arrived at after charging/(crediting) the following significant items.**

Other information:-	Group – Q2			Group – YTD 6 months		
	30/06/2011	30/06/2010	Change	30/06/2011	30/06/2010	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	116,222	97,965	18.6	217,931	189,581	15.0
Amortisation of deferred charges and others	6,542	2,949	121.8	10,305	6,457	59.6
Interest on borrowings	118,825	109,364	8.7	230,002	201,364	14.2
Loss on disposal of biological assets	-	-	n/m	99	-	n/m
Write-off of property and equipment	526	183	187.4	1,090	185	489.2
Impairment loss on a joint venture investment	17,793	-	n/m	17,793	-	n/m
Loss arising from changes in fair values of plasma receivables	6,638	4,011	65.5	7,068	9,793	(27.8)
Provision for uncollectible plasma receivables	14,635	6,301	132.3	14,635	11,831	23.7
Gain on disposals of property and equipment	(642)	(158)	306.3	(705)	(169)	317.2
Net changes in provision for decline in market values of inventories and obsolescence of inventories	(7,613)	14,098	(154.0)	25,951	14,153	83.4

*n.m. denotes “Not Meaningful”*

1(b)(i). A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Non-current assets</b>				
Biological assets	10,797,794	10,453,082	-	-
Property, plant and equipment	7,029,879	6,791,435	63,767	65,844
Goodwill	3,155,786	3,155,786	-	-
Claims for tax refund	309,426	400,241	-	-
Deferred tax assets	433,861	363,149	-	-
Investment in subsidiary companies	-	-	7,383,633	7,383,633
Loans to a subsidiary company	-	-	2,259,501	2,259,501
Investment in an associated company	-	13,130	-	-
Other non-current assets	863,713	893,777	22	22
<b>Total non-current assets</b>	<b>22,590,459</b>	<b>22,070,600</b>	<b>9,706,923</b>	<b>9,709,000</b>
<b>Current assets</b>				
Inventories	1,885,838	1,321,248	-	-
Trade and other receivables	1,165,767	898,034	22,563	20,943
Advances to suppliers	130,890	42,332	-	-
Prepaid taxes	120,099	60,581	-	-
Cash and cash equivalents	6,065,233	3,795,993	1,635,723	1,621,112
<b>Total current assets</b>	<b>9,367,827</b>	<b>6,118,188</b>	<b>1,658,286</b>	<b>1,642,055</b>
<b>Total assets</b>	<b>31,958,286</b>	<b>28,188,788</b>	<b>11,365,209</b>	<b>11,351,055</b>
<b>Current liabilities</b>				
Trade and other payables and accruals	1,487,969	1,109,627	5,807	8,572
Advances from customers	172,707	98,244	-	-
Interest-bearing loans and borrowings	3,041,472	2,815,520	-	-
Income tax payable	102,178	102,417	130	130
<b>Total current liabilities</b>	<b>4,804,326</b>	<b>4,125,808</b>	<b>5,937</b>	<b>8,702</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	3,461,251	4,955,185	-	-
Bonds and Sukuk Ijarah payables	723,822	723,109	-	-
Other payables	285,502	284,832	-	-
Employee benefits liabilities	640,220	574,034	-	-
Deferred tax liabilities	1,867,251	1,825,524	-	-
<b>Total non-current liabilities</b>	<b>6,978,046</b>	<b>8,362,684</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>11,782,372</b>	<b>12,488,492</b>	<b>5,937</b>	<b>8,702</b>
<b>Net assets</b>	<b>20,175,914</b>	<b>15,700,296</b>	<b>11,359,272</b>	<b>11,342,353</b>
<b>Attributable to owners of the parent</b>				
Share capital	3,584,279	3,584,279	10,912,411	10,912,411
Revenue reserves	8,110,657	7,287,264	302,709	285,790
Other reserves	538,431	138,819	144,152	144,152
	<b>12,233,367</b>	<b>11,010,362</b>	<b>11,359,272</b>	<b>11,342,353</b>
Non-controlling interests	7,942,547	4,689,934	-	-
<b>Total equity</b>	<b>20,175,914</b>	<b>15,700,296</b>	<b>11,359,272</b>	<b>11,342,353</b>

**1(b)(ii). Aggregate amount of the Group's borrowings and debt securities.**

	Group	
	30/06/2011	31/12/2010
	Rp ' million	Rp ' million
(i) Amounts payable in one year or less, or on demand		
Secured	998,176	1,963,446
Unsecured	2,043,296	852,074
Sub-total	<b>3,041,472</b>	<b>2,815,520</b>
(ii) Amounts repayable after one year		
Secured	2,594,830	4,919,759
Unsecured	1,590,243	758,535
Sub-total	<b>4,185,073</b>	<b>5,678,294</b>
<b>TOTAL</b>	<b>7,226,545</b>	<b>8,493,814</b>

(iii) Details of the collaterals

The above bank term loans and investment loans are secured by (i) corporate guarantees from the Company and a subsidiary; and (ii) charge over the plantation assets of the respective subsidiary. However, the said corporate guarantees from the Company have been discharged by the banks in 2Q2011.

As of 30 June 2011, the unsecured amount repayable after one year included Bonds and Sukuk Ijarah payables of Rp724 billion.

1(c). **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group – Q2		Group – YTD 6 months	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Cash flows from operating activities</b>				
Profit before taxation	734,176	447,750	1,723,508	993,669
Adjustments :				
Depreciation and amortisation	122,764	100,914	228,236	196,038
Unrealized foreign exchange gains	(38,973)	(14,608)	(87,767)	(43,310)
Loss on disposal of biological assets	-	-	99	-
Loss arising from changes in fair values of plasma receivables	6,638	4,011	7,068	9,793
Provision for uncollectible plasma receivables	14,635	6,301	14,635	11,831
Impairment loss on a joint venture investment	17,793	-	17,793	-
Write-off of property and equipment	526	183	1,090	185
Gain on disposals of property and equipment	(642)	(158)	(705)	(169)
Net changes in provision for decline in market values of inventories and obsolescence of inventories	(7,613)	14,098	25,951	14,153
Changes in provision for asset dismantling costs	1,357	1,005	(163)	776
Changes in employee benefits liabilities	35,011	33,914	66,185	66,619
Changes in fair value of biological assets	-	(20,176)	-	(20,176)
Changes in fair value of long-term receivables	1,384	1,768	2,768	1,774
(Write-back) / allowance of doubtful debts	(375)	-	(162)	601
Financial income	(54,063)	(16,517)	(94,458)	(36,323)
Financial expenses	125,619	120,116	242,706	214,380
<b>Operating cash flows before working capital changes</b>	<b>958,237</b>	<b>678,601</b>	<b>2,146,784</b>	<b>1,409,841</b>
<b>Changes in working capital</b>				
Other non-current assets	120,301	(30,962)	75,508	6,838
Inventories	(252,617)	45,916	(590,541)	(193,386)
Trade and other receivables	(30,813)	(105,452)	(264,701)	(82,883)
Advances to suppliers	47,442	112,412	(88,558)	44,420
Prepaid taxes	(56,135)	4,767	(59,518)	(64,474)
Trade and other payables and accruals	10,209	(126,330)	224,822	(64,486)
Advances from customers	98,727	(1,081)	74,463	(23,480)
<b>Cash flows generated from operations</b>	<b>895,351</b>	<b>577,871</b>	<b>1,518,259</b>	<b>1,032,390</b>
Interest received	54,063	16,517	94,458	36,323
Interest paid	(125,202)	(118,168)	(249,425)	(203,892)
Income tax paid	(270,291)	(196,226)	(455,778)	(336,866)
<b>Net cash flows generated from operating activities</b>	<b>553,921</b>	<b>279,994</b>	<b>907,514</b>	<b>527,955</b>

	Group – Q2		Group – YTD 6 months	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(219,732)	(300,949)	(468,185)	(512,646)
Additions to biological assets	(168,214)	(188,454)	(327,628)	(351,399)
Net changes in plasma receivables	(33,335)	(55,844)	57,269	(118,568)
Proceeds from disposal of property and equipment	1,398	209	1,643	326
Proceeds from disposal of biological assets	-	-	239	-
Investment in unquoted shares	(3,048)	-	(6,210)	(5,601)
Advances for projects and purchase of fixed assets	(32,773)	(54,944)	(60,400)	(146,552)
<b>Net cash flows used in investing activities</b>	<b>(455,704)</b>	<b>(599,982)</b>	<b>(803,272)</b>	<b>(1,134,440)</b>
<b>Cash flows from financing activities</b>				
Proceeds from interest-bearing loans and borrowings	755,430	714,876	1,144,258	1,555,816
Repayment of interest-bearing loans and borrowings	(1,761,910)	(319,754)	(2,323,229)	(607,459)
Net proceeds / (payments) from amount due to related parties	6,455	1,900	6,555	(58,024)
Dividend payments by subsidiaries to non-controlling interests	-	(9,652)	-	(9,652)
Proceeds from IPO net of listing expenses	3,349,449	-	3,349,449	-
<b>Net cash flows generated from financing Activities</b>	<b>2,349,424</b>	<b>387,370</b>	<b>2,177,033</b>	<b>880,681</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,447,641</b>	<b>67,382</b>	<b>2,281,275</b>	<b>274,196</b>
<b>Effect of changes in exchange rates on cash and cash equivalents</b>	<b>11,276</b>	<b>5,945</b>	<b>(12,035)</b>	<b>(42,778)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,606,316</b>	<b>1,960,436</b>	<b>3,795,993</b>	<b>1,802,345</b>
<b>Cash and cash equivalents at the end of the Period</b>	<b>6,065,233</b>	<b>2,033,763</b>	<b>6,065,233</b>	<b>2,033,763</b>

- 1(d)(i). A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	30/06/2011 Rp ' million	30/06/2010 Rp ' million	30/06/2011 Rp ' million	30/06/2010 Rp ' million
<b><u>Issued Capital</u></b>				
Balance as at 1 January / 30 June <sup>(1)</sup>	3,584,279	3,584,279	10,912,411	10,912,411
<b><u>Treasury shares (IndoAgri)</u></b>				
Balance as at 1 January / 30 June	-	(29,283)	-	(29,283)
<b><u>Reserves*</u></b>				
Balance as at 1 January	7,287,264	5,893,518	285,790	124,058
Net profit and total recognized income for the period	823,393	545,288	16,919	5,761
<b>Balance as at 30 June</b>	<b>8,110,657</b>	<b>6,438,806</b>	<b>302,709</b>	<b>129,819</b>
<b><u>Other Reserves</u></b>				
Balance as at 1 January	138,819	-	144,152	-
Changes in ownership interests in subsidiary that do not result in a loss of control	399,612	-	-	-
<b>Balance as at 30 June</b>	<b>538,431</b>	<b>-</b>	<b>144,152</b>	<b>-</b>
<b><u>Non-controlling Interests</u></b>				
Balance as at 1 January	4,689,934	3,530,781	-	-
Dividend payments by subsidiaries	(168,631)	(111,117)	-	-
Changes in ownership interests in subsidiary that do not result in a loss of control	2,949,837	-	-	-
Net profit and total recognized income for the period	471,407	177,907	-	-
<b>Balance as at 30 June</b>	<b>7,942,547</b>	<b>3,597,571</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>20,175,914</b>	<b>13,591,373</b>	<b>11,359,272</b>	<b>11,012,947</b>

**Notes:**

- (1) The issued capital of the Group differs from that of the Company as a result of applying the reverse acquisition accounting in accordance with FRS 103. It represents the total of the deemed cost of acquisition, the issued equity of Indofood Oil & Fats Pte. Ltd. immediately before the Acquisition and issue/placement of new shares by the Company subsequent to the Acquisition.

- \* Reserves of the Group consist of revenue reserve and capital reserve.

- (d)(ii). **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the period. As of 30 June 2011, the number of issued shares were 1,447,782,830, and the Company had no treasury shares. As of 30 June 2010, the number of issued shares were 1,447,782,830 issued shares, of which 9,000,000 shares were held by the Company as treasury shares.

There were no outstanding convertibles as at 30 June 2011 and 2010.

- (d)(iii). **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	30/06/2011	31/12/2010
	(' 000)	(' 000)
Total number of issued shares	1,447,783	1,447,783

- (d)(iv). **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

This consolidated financial information has not been audited nor reviewed by the external auditors.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies have been consistently applied by the Company and the Group, and are consistent with those used in the previous financial year.



5. ***If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changes, as well as the reason for, and the effect of, the change.***

Not applicable.

6. ***Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding year, after deducting any provision for the preference dividends; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings)***

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 30 June 2011.

Earnings per share (Rp)	Group – Q2			Group – YTD 6 months		
	30/06/2011	30/06/2010	Change %	30/06/2011	30/06/2010	Change %
Based on weighted average number of share	213	164	30.5	569	379	50.1
Based on a fully diluted basis	213	164	30.5	569	379	50.1

7. ***Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-***

The net asset value per share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each period divided by the issued share capital of 1,447,782,830 shares as of 30 June 2011 and 31 December 2010.

Net asset value per share (Rp)	Group		Company	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
	8,450	7,605	7,846	7,834

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### Review of Group Performance

	Group – Q2			Group – YTD 6 months		
	30/06/2011 Rp ' million	30/06/2010 Rp ' million	Change %	30/06/2011 Rp ' million	30/06/2010 Rp ' million	Change %
Revenue						
Plantations						
External sales	723,733	626,039	15.6	1,481,291	1,243,597	19.1
Inter-segment sales	1,381,204	936,119	47.5	2,730,960	1,639,367	66.6
Sub-total	2,104,937	1,562,158	34.7	4,212,251	2,882,964	46.1
Edible Oils & Fats **						
External sales	2,484,156	1,469,387	69.1	4,653,884	2,963,459	57.0
Sub-total	2,484,156	1,469,387	69.1	4,653,884	2,963,459	57.0
Elimination of inter segment sales *	(1,381,204)	(936,119)	47.5	(2,730,960)	(1,639,367)	66.6
<b>Total revenue to external parties</b>	<b>3,207,889</b>	<b>2,095,426</b>	<b>53.1</b>	<b>6,135,175</b>	<b>4,207,056</b>	<b>45.8</b>
<b>Gross Profit</b>	<b>1,073,709</b>	<b>766,136</b>	<b>40.1</b>	<b>2,417,137</b>	<b>1,564,485</b>	<b>54.5</b>
Gross Profit %	33.5%	36.6%		39.4%	37.2%	

\* Comprises mainly internal CPO sales to the Group's own refineries

\*\* Comprises mainly cooking oil, margarine and copra-based products

### Review of Group Performance

**Overview:** The Group posted another consecutive quarter of impressive results. Consolidated revenue were at Rp3,208 billion in 2Q2011 and Rp6,135 billion in 1H2011 respectively, registering 53% and 46% increase over the corresponding periods in 2010. In line with the strong sales, the Group net profit came in strongly at Rp561 billion in 2Q2011 and Rp1,295 billion in 1H2011, exceeding the comparative periods in 2010 by 76% and 79% respectively.

**Revenue:** Plantation Division posted improved performance in 2Q2011 with total revenue up 35% over 2Q2010, reflecting principally higher sales volume and average selling prices of palm products (ie. crude palm oil and palm kernel), as well as higher oil palm seeds sales. For similar reason, total revenue in 1H2011 was likewise 46% higher than a year ago. Inter-segment sales increased by 48% and 67% in 2Q2011 and 1H2011 respectively, reflecting higher internal CPO to the Group's refineries at market price.

Edible Oils & Fats Division continued to deliver solid sales performance with total revenue increasing 69% in 2Q2011 and 57% in 1H2011 as compared to the corresponding periods in 2010. The stronger sales were primarily attributable to the combined positive effects of higher sales volume and average selling prices of cooking oil, margarine and palm by-products. The improved sales result was partly offset by lower sales volume of copra-based and palm-based products.

**Gross Profit:** The Group's gross profit grew 40% and 55% in 2Q2011 and 1H2011 over the corresponding periods in 2010. The improved gross profit was principally attributable to strong sales results. Gross profit margin was however slightly lower at 34% in 2Q2011 compared with 37% in 2Q2010.

**Gain/(loss) arising from changes in fair values of biological assets:** Starting 2011, the Group has changed its practice and will prepare the valuation of the biological assets (which primarily comprise oil palm and rubber plantations) on a yearly basis. Accordingly, no recognition of gain/(loss) arising from the changes in fair values of biological assets was made in June 2011. In last year, the Group recognised Rp20 billion of gain in June 2010 mainly due to lower discount rate; and partly offset by lower projected CPO prices in Rupiah terms due to a stronger projected Rupiah currency against the US dollar.

**Operating Expenses (i.e. comprise of Selling & distribution Expenses, General & administrative, Other Operating Income / Expenses):** Selling and distribution expenses were at Rp73 billion in 2Q2011, an increase of Rp13 billion over last year's level on higher export taxes of Rp3 billion mainly relating to the export sales of stearine, as well as higher freight and distribution expenses of Rp9 billion relating to higher sales volume of edible oils and fats products. On year-to-date basis, the increase in the selling and distribution expenses was likewise driven by similar reasons as in the current quarter.

Higher General & administrative expenses in 2Q2011 and 1H2011 over the comparative periods in 2010 were principally due to increased salaries and employee benefits.

Other operating expenses were at Rp55 billion in 2Q2011, an increase of Rp26 billion over the comparative quarter in 2010. This was principally attributable to an impairment loss relating to the joint venture investment of Rp18 billion; and higher provision for uncollectable plasma receivables of Rp8 billion. This was partly offset by the reversal of provision for decline in market values of inventories. On year-to-date basis, other operating expenses increased by Rp50 billion over the same period last year mainly due to (i) decline in market values of inventories of Rp14 billion relating to palm by-products at end June 2011; (ii) an impairment loss relating to the joint venture investment of Rp18 billion; and (iii) amortization of new ERP IT system.

**Profit from Operations:** the Group's Q2 2011 and 1H 2011 profit from operations was 46% and 60% higher than the corresponding periods in 2010. The improved profit was mainly attributable to higher gross profit, but this was partly offset by higher operating expenses.

**Net Profit After Tax (NPAT):** the Group's 2Q2011 and 1H2011 NPAT increased 76% and 79% respectively against the corresponding periods in 2010 primarily due to higher profits from operations as explained above. As a consequence of Lonsum's adoption of a lower corporate tax of 20% (instead of the normal tax 25%), the Group's effective tax rate came in lower at 23.6% in 2Q2011 versus 28.9% in 2Q2010. Likewise, the effective tax was lower on year-to-date basis.

### **Review of Financial Position**

The Group's financial position improved significantly following the listing of its main subsidiary, PT Salim Ivomas Pratama Tbk on the Indonesia Stock Exchange on 9 June 2011. Total net proceeds raised from the SIMP listing was Rp3.3 trillion, of which Rp1.7 trillion were used for the repayment of loans to acquire a majority equity ownership in Lonsum. Net debts to total equity ratio improved from 0.3x in last year end to 0.06x as of end June 2011. While net asset value per share improved 11% from Rp7,605 as of last year end to Rp8,450 as of end June 2011.

The Group's non-current assets totaled Rp22.6 trillion as at 30 June 2011, up from Rp22.1 trillion as at 31 December 2010. The increase was principally attributable to additions of biological assets in respect of new plantings and immature plantations; and capital expenditure relating to housing and infrastructure in plantations, on-going construction works relating to new palm oil mills in Kalimantan and South Sumatra. This was partially offset by lower plasma receivables.

Total current assets were Rp9.4 trillion as at 30 June 2011, an increase of 53% over Rp6.1 trillion in the previous year end. This was mainly due to:

- cash levels ended higher at Rp6.1 trillion as at 30 June 2011 compared to Rp3.8 trillion at the previous year end, this was principally attributable to the net proceeds from the SIMP's IPO as explained above. The Group incurred approximately Rp0.9 trillion on purchases of assets and additions to biological assets, which was principally funded by net cash flows generated from operations.
- inventories ended higher at Rp1.9 trillion as of 30 June 2011 versus Rp1.3 trillion at the end of 2010, which was principally due to higher CPO, copra-based products, palm by-products and fertilizers;
- trade and other receivables ended higher mainly due to higher sales of cooking oil and margarine;

Total liabilities decreased from Rp12.5 trillion as of last year end to Rp11.8 trillion as at 30 June 2011. The decrease was mainly attributable to the repayment of the loans to acquire a majority equity ownership in Lonsum.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

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.

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.

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. Production in Thailand and India has increased from last year, but the world is still heavily reliant on Brazil to meet its sugar needs, and sugar price direction will be basically influenced by production in Brazil.

**11. If a decision regarding dividend has been made.**

**(a) Current Financial Period Reported On**  
*Nil.*

**(b) Corresponding Period of the Immediately Preceding Financial Year**  
*Nil.*

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for the second quarter ended 30 June 2011.

**13. Disclosure of the aggregate value of the transactions conducted under the shareholders' mandate for interested person transaction Rule 920(1)(a)(ii) of the Listing Manual**

The Group has the following the interest person transactions ("IPT") for the first half of 2011:

Name of Interested Person	Aggregate value of all Interested person transactions (excluding transactions less than S\$100,000)	
	Rp 'billion	US\$ 'million
<b>PT ISM Group</b>		
<ul style="list-style-type: none"> <li>• Sales of cooking oil, margarine and others</li> <li>• Purchase of goods and services</li> </ul>	1,628.2 19.6	- -
<b>Salim Group</b>		
<ul style="list-style-type: none"> <li>• Sales of CPO</li> <li>• Sales of cooking oil</li> <li>• Sales of seeds</li> <li>• Purchase of FFB and CPO</li> <li>• Management Fee</li> <li>• Purchases of services</li> <li>• Rental of office spaces</li> <li>• Interest bearing loans from Salim Group</li> <li>• Interest bearing loans to subsidiaries, which are associates of Salim Group                             <ul style="list-style-type: none"> <li>○ Principal amount outstanding in respect of the interest bearing loans at end of period</li> <li>○ Maximum loan outstanding (inclusive of principal and interest) during the period</li> </ul> </li> <li>• Corporate guarantee, in proportion to the Group's shareholdings, in favour of banks in respect of loan facilities extended to certain subsidiaries, which are associates of Salim Group                             <ul style="list-style-type: none"> <li>○ Principal amount outstanding in respect of the bank loan facilities at end of period</li> <li>○ Maximum loan outstanding (inclusive of principal and interest) during the period</li> </ul> </li> <li>• Rental of land</li> </ul>	9.5 65.0 9.8 59.7 0.1 11.4 0.01 95.1 202.1 203.4 2,752.6 2,962.8 0.3	- - - - - - 14.4 21.6 22.0 50.0 50.0 -

## **Confirmation by the Board Pursuant to Rule 705(4) of the Listing Manual**

Pursuant to Rule 705(4) of the SGX-ST Listing Manual, we, Mark Julian Wakeford and Moleonoto Tjang, being two Directors of Indofood Agri Resources Ltd. ("the Company") do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group's unaudited financial statements for the second quarter ended 30 June 2011 to be false or misleading in any material aspect.

*BY THE ORDER OF THE BOARD*

Mark Julian Wakeford  
Chief Executive Officer and Executive Director

12 August 2011