

FOR IMMEDIATE RELEASE

## IndoAgri posts 3Q11 attributable profit of Rp211 billion (S\$30 million)<sup>1</sup>

### HIGHLIGHTS:

- Revenue increased 42.9% yoy to Rp3.3 trillion (S\$471 million) in 3Q11 principally due to higher sales from plantation crops and edible oils products
- EBITDA up 21.7% yoy in 3Q11 reflecting higher profit contribution from all divisions
- Net profit grew 33% yoy to Rp479 billion (S\$69 million) in 3Q11
- Liquidity remains strong with a cash balance of Rp5,906 billion (S\$869 million) and a low net gearing ratio of 0.04x

**SINGAPORE – 28 October 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, reported a good set of results with 3Q11 and 9M11 revenue exceeded the corresponding periods in 2010 by 42.9% and 44.8%, respectively. The strong sales results were mainly supported by higher sales from plantation crops and edible oils products.

In Rp' billion	3Q11	3Q10	Change %	9M11	9M10	Change %
<b>Revenue</b>	3,283	2,298	<b>42.9%</b>	9,419	6,505	<b>44.8%</b>
Gross Profit	1,050	862	21.8%	3,467	2,427	42.9%
Gross Margin (%)	32.0%	37.5%		36.8%	37.3%	
<b>EBITDA<sup>2</sup></b>	<b>841</b>	<b>691</b>	<b>21.7%</b>	<b>2,865</b>	<b>1,996</b>	<b>43.6%</b>
EBITDA Margin (%)	25.6%	30.1%		30.4%	30.7%	
Profit From Operations	681	607	12.3%	2,553	1,778	43.6%
Profit Before Taxation	654	502	30.2%	2,377	1,496	58.9%
Net Profit After Tax	479	360	32.8%	1,773	1,084	63.7%
<b>Attributable Net Profit</b>	<b>211</b>	<b>259</b>	<b>(18.4%)</b>	<b>1,035</b>	<b>804</b>	<b>28.6%</b>
EPS (fully diluted) – Rp	146	180	(18.9%)	715	559	27.9%

Group's gross profit increased 21.8% and 42.9% in 3Q11 and 9M11 over the comparative periods in 2010 primarily due to strong profit contribution from Plantation Division.

<sup>1</sup> Income Statement and Balance Sheet items are converted at exchange rates of Rp6,972/S\$1 and Rp6,796/S\$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's 3Q2011 and 9M2011 EBITDA was 21.7% and 43.6% higher than the comparative periods in 2010. The improved EBITDA was mainly attributable to higher gross profit, but this was weighted down by foreign exchange loss during the quarter and certain one-off expenses including founder tax relating to the listing of SIMP and share transfer fees relating to the amalgamation of a wholly-owned subsidiary, IOFPL with the IndoAgri.

The Group reported attributable profit of Rp211 billion in 3Q11, down 18.4% over 3Q2010 as a result of the dilution effect arising from the SIMP listing in June 2011 and the disposal of 4.9% interest in Lonsum to external parties in December 2010 by IndoAgri.

***"We are pleased to achieve another satisfactory set of results. Our FFB nucleus and CPO production in 9M2011 grew 10% and 16% yoy to 2,023,000 tonnes and 606,000 tonnes, respectively. We also pleased to announce that in Oct 2011, the Group has achieved additional RSPO certification for approximately 25,000 MT of CPO from one of Lonsum's South Sumatra palm oil mills, bringing total certified CPO to around 195,000 MT. Following the listing of our main subsidiary, PT SIMP on the Indonesia Stock Exchange in June 2011, the Group's liquidity stayed strong with a cash balance of Rp5,906 billion (\$869 million) and a low net gearing ratio of 0.04x."***, commented Mr Mark Wakeford, CEO and Executive Director.

## **INDUSTRY OUTLOOK AND FUTURE PLANS**

The European sovereign debt crisis is one of key factors influencing the global financial and commodity markets. The recent slowdown in China's economy is also adding to the widening global financial concerns. Consequently, CPO prices (CIF Rotterdam) have declined from an average of US\$1,199 per tonne in 1H2011 to US\$1,057 per tonne in 3Q2011. However, the average CPO prices in 9M2011 of US\$1,152 per tonne remained higher as compared to US\$901 per tonne in FY2010.

With the increased uncertainty over the global economy particularly the Eurozone, rubber prices (RSS3 SICOM) have come under pressure and ended lower at an average of US\$4,654 per tonne in 3Q2011 as compared to US\$5,522 per tonne in 1H2011. Nonetheless, the average rubber prices in 9M2011 of US\$5,229 per tonne remained significantly higher than US\$3,758 per tonne in FY2010. The long term outlook for rubber is expected to remain positive, 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) stayed strong with an average of US\$725 per tonne in 9M2011 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 strongly influenced by production in Brazil. The impact from the floods in Thailand on the sugar production next year is still unclear.

Mr Wakeford added, ***"Despite the current European debt crisis, the fundamentals for palm oil remain supported by consumption growth from India, China and other emerging Asian economies, and coupled with the demand for biodiesel driven by government mandates in Europe, Brazil, and Argentina. In addition, we expect the demand for palm oil products in Indonesia will continue to be supported by the demand from the food and beverage industry and population growth. In addition, our 9M11 edible oils and fats sales volume increased by 18% 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 September 2011, IndoAgri has 246,530 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)