

## UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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            |                  |               |
|---|------------------|------------------|---------------|
|   | 31/03/2012       | 31/03/2011       | Change        |
|   | Rp ' million     | Rp ' million     | %             |
| Revenue   | 3,199,423        | 2,927,286        | 9.3           |
| Cost of sales   | (2,102,918)      | (1,583,858)      | 32.8          |
| <b>Gross Profit</b>   | <b>1,096,505</b> | <b>1,343,428</b> | <b>(18.4)</b> |
| Gross Profit %  | 34.3%            | 45.9%            |               |
| Selling and distribution costs                                | (88,086)         | (91,001)         | (3.2)         |
| General and administrative expenses                           | (210,826)        | (201,620)        | 4.6           |
| Foreign exchange gains  | 15,571           | 42,310           | (63.2)        |
| Other operating income  | 32,074           | 13,430           | 138.8         |
| Share of results of an associated company                     | -                | (857)            | n/m           |
| Other operating expenses                                      | (25,634)         | (39,666)         | (35.4)        |
| <b>Profit from operations</b>                                 | <b>819,604</b>   | <b>1,066,024</b> | <b>(23.1)</b> |
| Financial income  | 77,584           | 40,395           | 92.1          |
| Financial expenses  | (139,267)        | (117,087)        | 18.9          |
| <b>Profit before tax</b>                                      | <b>757,921</b>   | <b>989,332</b>   | <b>(23.4)</b> |
| Income tax expense  | (157,105)        | (255,298)        | (38.5)        |
| <b>Net profit / total comprehensive income for the period</b> | <b>600,816</b>   | <b>734,034</b>   | <b>(18.1)</b> |
| <b>Total comprehensive income attributable to:-</b>           |                  |                  |               |
| - Owners of the Company                                       | 376,943          | 514,331          | (26.7)        |
| - Non-controlling interests                                   | 223,873          | 219,703          | 1.9           |
|   | <b>600,816</b>   | <b>734,034</b>   | <b>(18.1)</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        |              |        |
|--|--------------|--------------|--------|
|  | 31/03/2012   | 31/03/2011   | Change |
|  | Rp ' million | Rp ' million | %      |
| Profit from operations                 | 819,604      | 1,066,024    | (23.1) |
| Add: Depreciation and amortisation     | 120,154      | 105,472      | 13.9   |
| EBITDA includes foreign exchange gains | 939,758      | 1,171,496    | (19.8) |
| Less: Foreign exchange gains           | 15,571       | 42,310       | (63.2) |
| EBITDA excludes foreign exchange gains | 924,187      | 1,129,186    | (18.2) |
| EBITDA%                                | 28.9%        | 38.6%        |        |

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

| In SGD 'cents (converted at Rp7,228/S\$1) | Group      |            |          |
|---|------------|------------|----------|
|   | 31/03/2012 | 31/03/2011 | Change % |
| EPS                                       | 3.6        | 4.9        | (26.2)   |

| In SGD 'cents (converted at Rp7,309/S\$1) | Group      |            |          |
|---|------------|------------|----------|
|   | 31/03/2012 | 31/12/2011 | Change % |
| NAV per share                             | 125.5      | 121.9      | 3.0      |

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

| Other information:-   | Group                      |                            |             |
|---|----------------------------|----------------------------|-------------|
|   | 31/03/2012<br>Rp ' million | 31/03/2011<br>Rp ' million | Change<br>% |
| Depreciation of property, plant and equipment   | 111,595                    | 101,709                    | 9.7         |
| Amortisation of deferred charges and others   | 8,559                      | 3,763                      | 127.5       |
| Interest on borrowings  | 136,823                    | 111,177                    | 23.1        |
| Loss on disposal of biological assets   | -                          | 99                         | n/m         |
| Provision for uncollectible and loss arising from changes in fair value of plasma receivables | 10,693                     | 430                        | n/m         |
| Write-off of property and equipment   | 242                        | 564                        | (57.1)      |
| Gain on disposal of property and equipment  | (49)                       | (63)                       | (22.2)      |
| Net changes in provision for decline in net realisable value                                  | (10,791)                   | 33,564                     | (132.2)     |

*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           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 31/03/2012        | 31/12/2011        | 31/03/2012        | 31/12/2011        |
|  | Rp ' million      | Rp ' million      | Rp ' million      | Rp ' million      |
| <b>Non-current assets</b>                    |                   |                   |                   |                   |
| Biological assets                            | 11,836,193        | 11,615,002        | -                 | -                 |
| Property, plant and equipment                | 7,408,823         | 7,245,443         | 60,785            | 61,694            |
| Goodwill                                     | 3,155,786         | 3,155,786         | -                 | -                 |
| Claims for tax refund                        | 245,309           | 262,593           | -                 | -                 |
| Deferred tax assets                          | 516,544           | 526,667           | -                 | -                 |
| Investment in subsidiary companies           | -                 | -                 | 9,660,599         | 9,660,599         |
| Other non-current assets                     | 1,047,524         | 964,132           | 20                | 20                |
| <b>Total non-current assets</b>              | <b>24,210,179</b> | <b>23,769,623</b> | <b>9,721,404</b>  | <b>9,722,313</b>  |
| <b>Current assets</b>                        |                   |                   |                   |                   |
| Inventories                                  | 2,051,877         | 1,677,576         | -                 | -                 |
| Trade and other receivables                  | 1,202,238         | 1,033,175         | 4,896             | 3,459             |
| Advances to suppliers                        | 548,865           | 107,395           | -                 | -                 |
| Prepaid taxes                                | 122,708           | 83,673            | -                 | -                 |
| Cash and cash equivalents                    | 6,394,138         | 6,535,204         | 1,525,670         | 1,488,759         |
| <b>Total current assets</b>                  | <b>10,319,826</b> | <b>9,437,023</b>  | <b>1,530,566</b>  | <b>1,492,218</b>  |
| <b>Total assets</b>                          | <b>34,530,005</b> | <b>33,206,646</b> | <b>11,251,970</b> | <b>11,214,531</b> |
| <b>Current liabilities</b>                   |                   |                   |                   |                   |
| Trade and other payables and accruals        | 1,629,508         | 1,281,526         | 10,281            | 7,524             |
| Advances from customers                      | 181,279           | 98,576            | -                 | -                 |
| Interest-bearing loans and borrowings        | 3,792,097         | 3,334,397         | -                 | -                 |
| Income tax payable                           | 130,719           | 77,506            | 130               | 130               |
| <b>Total current liabilities</b>             | <b>5,733,603</b>  | <b>4,792,005</b>  | <b>10,411</b>     | <b>7,654</b>      |
| <b>Non-current liabilities</b>               |                   |                   |                   |                   |
| Interest-bearing loans and borrowings        | 3,003,064         | 3,201,348         | -                 | -                 |
| Bonds and Sukuk Ijarah payables              | 724,974           | 724,579           | -                 | -                 |
| Other payables                               | 312,808           | 335,110           | -                 | -                 |
| Employee benefits liabilities                | 727,278           | 687,969           | -                 | -                 |
| Deferred tax liabilities                     | 1,971,698         | 2,025,078         | -                 | -                 |
| <b>Total non-current liabilities</b>         | <b>6,739,822</b>  | <b>6,974,084</b>  | <b>-</b>          | <b>-</b>          |
| <b>Total liabilities</b>                     | <b>12,473,425</b> | <b>11,766,089</b> | <b>10,411</b>     | <b>7,654</b>      |
| <b>Net assets</b>                            | <b>22,056,580</b> | <b>21,440,557</b> | <b>11,241,559</b> | <b>11,206,877</b> |
| <b>Attributable to owners of the Company</b> |                   |                   |                   |                   |
| Share capital                                | 3,584,279         | 3,584,279         | 10,912,411        | 10,912,411        |
| Treasury shares                              | (81,413)          | (81,413)          | (81,413)          | (81,413)          |
| Revenue reserves                             | 9,154,153         | 8,777,210         | 266,409           | 231,727           |
| Other reserves                               | 538,431           | 538,431           | 144,152           | 144,152           |
|  | <b>13,195,450</b> | <b>12,818,507</b> | <b>11,241,559</b> | <b>11,206,877</b> |
| Non-controlling interests                    | 8,861,130         | 8,622,050         | -                 | -                 |
| <b>Total equity</b>                          | <b>22,056,580</b> | <b>21,440,557</b> | <b>11,241,559</b> | <b>11,206,877</b> |

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

|   | Group            |                  |
|---|------------------|------------------|
|   | 31/03/2012       | 31/12/2011       |
|   | Rp ' million     | Rp ' million     |
| (i) Amounts payable in one year or less, or on demand |                  |                  |
| Secured   | 1,439,922        | 1,344,078        |
| Unsecured   | 2,352,175        | 1,990,319        |
| Sub-total   | <b>3,792,097</b> | <b>3,334,397</b> |
| (ii) Amounts repayable after one year                 |                  |                  |
| Secured   | 2,642,898        | 2,760,378        |
| Unsecured   | 1,085,140        | 1,165,549        |
| Sub-total   | <b>3,728,038</b> | <b>3,925,927</b> |
| <b>TOTAL</b>  | <b>7,520,135</b> | <b>7,260,324</b> |

(iii) Details of the collaterals

The above bank term loans and investment loans are secured by (i) corporate guarantees from a subsidiary; and (ii) charge over the plantation assets of the respective subsidiary.

As of 31 March 2012, the unsecured amount repayable after one year included Bonds and Sukuk Ijarah payables of Rp725 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.**

|   | <b>Group</b>        |                     |
|---|---------------------|---------------------|
|   | <b>31/03/2012</b>   | <b>31/03/2011</b>   |
|   | <b>Rp ' million</b> | <b>Rp ' million</b> |
| <b>Cash flows from operating activities</b>   |                     |                     |
| Profit before tax   | 757,921             | 989,332             |
| Adjustments :   |                     |                     |
| Depreciation and amortisation   | 120,154             | 105,472             |
| Unrealised foreign exchange gains   | (15,578)            | (48,794)            |
| Loss on disposal of biological assets   | -                   | 99                  |
| Provision for uncollectible and loss arising from changes in fair value of plasma receivables | 10,693              | 430                 |
| Write-off of property and equipment   | 242                 | 564                 |
| Gain on disposal of property and equipment  | (49)                | (63)                |
| Net changes in provision for decline in net realisable value                                  | (10,791)            | 33,564              |
| Changes in provision for asset dismantling costs  | (845)               | (1,520)             |
| Changes in employee benefits liabilities  | 39,309              | 31,174              |
| Changes in fair value of long-term receivables  | (383)               | 1,384               |
| Allowance of doubtful debts   | -                   | 213                 |
| Financial income  | (77,584)            | (40,395)            |
| Financial expenses  | 139,267             | 117,087             |
|   | <b>962,356</b>      | <b>1,188,547</b>    |
| <b>Operating cash flows before working capital changes</b>                                    |                     |                     |
| <b>Changes in working capital</b>   |                     |                     |
| Other non-current assets  | (9,928)             | (44,793)            |
| Inventories   | (363,510)           | (337,924)           |
| Trade and other receivables   | (157,931)           | (233,888)           |
| Advances to suppliers   | (441,471)           | (136,000)           |
| Prepaid taxes   | (38,688)            | (3,383)             |
| Trade and other payables and accruals   | 343,106             | 214,613             |
| Advances from customers   | 82,703              | (24,264)            |
|   | <b>376,637</b>      | <b>622,908</b>      |
| <b>Cash flows generated from operations</b>   |                     |                     |
| Interest received   | 77,584              | 40,395              |
| Interest paid   | (133,974)           | (124,223)           |
| Income tax paid   | (147,147)           | (185,487)           |
|   | <b>173,100</b>      | <b>353,593</b>      |
| <b>Net cash flows generated from operating activities</b>                                     |                     |                     |

|  | <b>Group</b>        |                     |
|--|---------------------|---------------------|
|  | <b>31/03/2012</b>   | <b>31/03/2011</b>   |
|  | <b>Rp ' million</b> | <b>Rp ' million</b> |
| <b>Cash flows from investing activities</b>                                  |                     |                     |
| Additions to property, plant and equipment                                   | (228,436)           | (248,453)           |
| Additions to biological assets   | (206,845)           | (159,414)           |
| Net changes in plasma receivables  | (68,353)            | 90,604              |
| Proceeds from disposal of property and equipment                             | 422                 | 245                 |
| Proceeds from disposal of biological assets                                  | -                   | 239                 |
| Investment in an associated company  | -                   | (3,162)             |
| Advances for projects and purchase of equipment and others                   | (122,425)           | (27,627)            |
| <b>Net cash flows used in investing activities</b>                           | <b>(625,637)</b>    | <b>(347,568)</b>    |
| <b>Cash flows from financing activities</b>                                  |                     |                     |
| Proceeds from interest-bearing loans and borrowings                          | 490,845             | 388,828             |
| Repayment of interest-bearing loans and borrowings                           | (203,599)           | (561,319)           |
| Net proceeds /(payments) from amount due to related parties                  | (23,458)            | 100                 |
| Dividend payments by subsidiaries to non-controlling interests               | (7,960)             | -                   |
| Proceeds from additional capital contribution from non-controlling interests | 23,167              | -                   |
| <b>Net cash flows generated from /(used in) financing activities</b>         | <b>278,995</b>      | <b>(172,391)</b>    |
| <b>Net decrease in cash and cash equivalents</b>                             | <b>(173,542)</b>    | <b>(166,366)</b>    |
| <b>Effect of changes in exchange rates on cash and cash equivalents</b>      | <b>32,476</b>       | <b>(23,311)</b>     |
| <b>Cash and cash equivalents at the beginning of the period</b>              | <b>6,535,204</b>    | <b>3,795,993</b>    |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>6,394,138</b>    | <b>3,606,316</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 capitalisation 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                    |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31/03/2012<br>Rp ' million | 31/03/2011<br>Rp ' million | 31/03/2012<br>Rp ' million | 31/03/2011<br>Rp ' million |
| <b><u>Issued Capital</u></b>                             |                            |                            |                            |                            |
| <b>Balance as at 1 January / 31 March <sup>(1)</sup></b> | <b>3,584,279</b>           | <b>3,584,279</b>           | <b>10,912,411</b>          | <b>10,912,411</b>          |
| <b><u>Treasury shares (IndoAgri)</u></b>                 |                            |                            |                            |                            |
| <b>Balance as at 1 January / 31 March</b>                | <b>(81,413)</b>            | <b>-</b>                   | <b>(81,413)</b>            | <b>-</b>                   |
| <b><u>Reserves*</u></b>                                  |                            |                            |                            |                            |
| Balance as at 1 January                                  | 8,777,210                  | 7,287,264                  | 231,727                    | 285,790                    |
| Net profit and total recognised income for the period    | 376,943                    | 514,331                    | 34,682                     | 1,159                      |
| <b>Balance as at 31 March</b>                            | <b>9,154,153</b>           | <b>7,801,595</b>           | <b>266,409</b>             | <b>286,949</b>             |
| <b><u>Other Reserves</u></b>                             |                            |                            |                            |                            |
| <b>Balance as at 1 January / 31 March</b>                | <b>538,431</b>             | <b>138,819</b>             | <b>144,152</b>             | <b>144,152</b>             |
| <b><u>Non-controlling Interests</u></b>                  |                            |                            |                            |                            |
| Balance as at 1 January                                  | 8,622,050                  | 4,689,934                  | -                          | -                          |
| Dividend payments by subsidiaries                        | (7,960)                    | -                          | -                          | -                          |
| Capital contribution from non-controlling interests      | 23,167                     | -                          | -                          | -                          |
| Net profit and total recognised income for the period    | 223,873                    | 219,703                    | -                          | -                          |
| <b>Balance as at 31 March</b>                            | <b>8,861,130</b>           | <b>4,909,637</b>           | <b>-</b>                   | <b>-</b>                   |
| <b>Total Equity</b>                                      | <b>22,056,580</b>          | <b>16,434,330</b>          | <b>11,241,559</b>          | <b>11,343,512</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 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 31 March 2012, the number of issued shares were 1,447,782,830, of which 9,000,000 shares were held as treasury shares. As of 31 March 2011, the number of issued shares were 1,447,782,830 issued shares, and Company has no treasury shares.

There were no outstanding convertibles as at 31 March 2012 and 2011.

- (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          |                  |
|---|------------------|------------------|
|   | 31/03/2012       | 31/12/2011       |
|   | (' 000)          | (' 000)          |
| Total number of issued shares                           | 1,447,783        | 1,447,783        |
| Less: Treasury shares                                   | (9,000)          | (9,000)          |
| Total number of issued shares excluding treasury shares | <b>1,438,783</b> | <b>1,438,783</b> |

- (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.*

| Treasury Shares                         | Company      |               |
|---|--------------|---------------|
|   | No of shares | Amount        |
|   | (' 000)      | Rp ' million  |
| Balance as at 1 January / 31 March 2012 | <b>9,000</b> | <b>81,413</b> |

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 equity holders of the Company 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 31 March 2012.

| Earnings per share (Rp)                   | Group      |            | Change % |
|---|------------|------------|----------|
|   | 31/03/2012 | 31/03/2011 |          |
| Based on weighted average number of share | 262        | 355        | (26.2)   |
| Based on a fully diluted basis            | 262        | 355        | (26.2)   |

**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 1,438,782,830 shares (excluding treasury shares) as of 31 March 2012 and 31 December 2011.

|                                | Group      |            | Company    |            |
|--------------------------------|------------|------------|------------|------------|
|                                | 31/03/2012 | 31/12/2011 | 31/03/2012 | 31/12/2011 |
| Net asset value per share (Rp) | 9,171      | 8,909      | 7,813      | 7,778      |

- 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                      |                            |             |
|--|----------------------------|----------------------------|-------------|
|  | 31/03/2012<br>Rp ' million | 31/03/2011<br>Rp ' million | Change<br>% |
| <b>Revenue</b>                           |                            |                            |             |
| Plantations                              |                            |                            |             |
| External sales                           | 835,041                    | 757,558                    | 10.2        |
| Inter-segment sales *                    | 1,000,035                  | 1,349,756                  | (25.9)      |
| Sub-total                                | 1,835,076                  | 2,107,314                  | (12.9)      |
| Edible Oils & Fats **                    |                            |                            |             |
| External sales                           | 2,364,382                  | 2,169,728                  | 9.0         |
| Sub-total                                | 2,364,382                  | 2,169,728                  | 9.0         |
| Elimination of inter-segment sales *     | (1,000,035)                | (1,349,756)                | (25.9)      |
| <b>Total revenue to external parties</b> | 3,199,423                  | 2,927,286                  | 9.3         |
| <b>Gross Profit</b>                      | 1,096,505                  | 1,343,428                  | (18.4)      |
| Gross Profit %                           | 34.3%                      | 45.9%                      |             |

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

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

**Overview:** The Group achieved consolidated revenue (after elimination of inter-segment sales) of Rp3,199 billion in 1Q12, registering 9% increase over the same quarter last year. The improved sales were principally attributable to higher external sales from both business divisions, particularly higher sales volume of edible oil products. Net Profit After Tax ("NPAT") came in lower at Rp601 billion, a 18% decline over 1Q11 on lower profit contribution from the Plantation Division.

**Revenue:** Plantation Division posted a total revenue (both inter-segment and external) of Rp1,835 billion in 1Q12, a decline of 13% over 1Q11 on lower average selling prices of palm products and rubber; as well as lower sales volume of CPO and rubber. This was partly offset by higher sales volume of palm kernel and oil palm seeds. Inter-segment sales reported a 26% decline reflecting mainly lower internal CPO sales to our Edible Oils and Fats refineries at market prices.

Edible Oils & Fats Division reported a positive quarter with total revenue increasing 9% over the same quarter last year. The improved sales performance was principally attributable to higher sales volume of cooking oil, copra-based products and by-products.

**Gross Profit:** Group's gross profit declined 18% to Rp1,097 billion in 1Q12 from Rp1,343 billion in 1Q11. In line with this, gross profit margin for 1Q12 came in lower at 34% compared to 46% in 1Q11. The lower gross profit was mainly attributable to lower average selling prices for palm products and rubber; higher cost of production and a 26% increase in the purchased volume of fresh fruit bunches from plasma farmers/ third parties which typically gives a lower profit margin contribution. On the other hand, edible oils and fats products' profit contribution improved with higher sales volume and lower CPO purchased price during the quarter.

**Operating Expenses (i.e. comprise of Selling & distribution Expenses (S&D), General & administrative (G&A), Other Operating Income / Expenses):**

Total operating expenses were lower at Rp292 billion in 1Q12 versus Rp320 billion in 1Q11 principally due to (i) Other operating income came in higher at Rp32 billion in 1Q12 compared to Rp13 billion in 1Q11 attributable to reversals for decline in net realisable value of inventories of Rp11 billion and higher miscellaneous income during the quarter; and (ii) Other operating expenses were lower at Rp26 billion in 1Q12 compared to Rp40 billion in 1Q11. This was primarily due to Rp11 billion provisions for uncollectible and loss arising from changes in fair value of plasma receivables in 1Q12, while there were provisions for decline in net realisable value of inventories of Rp34 billion in last year.

In respect of S&D and G&A incurred in 1Q12, they were broadly in line with last year's level.

**Foreign exchange gains** were principally related to the translation of foreign currency denominated loans, assets and liabilities. Foreign exchange gains recognised in 1Q12 were Rp16 billion compared to Rp42 billion in 1Q11 mainly due to weakening of Rupiah against US dollar and Singapore dollar during the quarter.

**Profit from Operations:** The Group reported lower profit from operations of Rp820 billion, a 23% decline over the same quarter last year. The lower profit was mainly attributable to lower gross profit and lower foreign exchange gain in 1Q12. This was partly offset by lower operating expenses as explained above.

**Financial income / expenses:** The Group recognised higher financial income of Rp78 billion in 1Q12 compared to Rp40 billion in 1Q11 mainly attributable to higher fixed deposit placements with the banks. Financial expenses increased 19% mainly due to non-capitalisation of interest expenses with the commencement of sugar factory operation.

**Net Profit After Tax (NPAT):** The Group's NPAT of Rp601 billion in 1Q12 was 18% lower over last year's of Rp734 billion, this was primarily due to lower profits from operations as explained above. The Group's attributable profit of Rp377 billion in 1Q12 represented a 27% decline over 1Q11, reflecting the 20% dilution effect arising from the SIMP's listing in June 2011.

### **Review of Financial Position**

The Group's total non-current assets increased slightly from Rp23.8 trillion in last year end to Rp24.2 trillion as of end March 2012. The increase was principally attributable to (i) additions of biological assets in respect of new plantings and immature plantations; (ii) capital expenditure relating to housing and infrastructure in plantations, on-going construction works relating to new palm oil mills in Kalimantan and South Sumatra; and (iii) higher other non-current assets related to advances for the equipment purchases for the margarine plant in Jakarta.

Total current assets were Rp10.3 trillion as at 31 March 2012 compared to Rp9.4 trillion in the previous year end. This was mainly due to (i) inventories ended higher at Rp2.1 trillion as of end March 2012 versus Rp1.7 trillion at the end of 2011, which was principally due to higher CPO, copra-based products and fertilisers; (ii) trade and other receivables came in higher at Rp1.2 trillion as of end March compared to Rp1.0 trillion in the previous year end due to higher sales of edible oil and fat products; and (iii) higher advances to suppliers relating to the purchases of raw materials.

The Group's liquidity level remained strong with cash levels of Rp6.4 trillion as of 31 March 2012, but marginally lower compared to Rp6.5 trillion as of last year end. This was principally due to Rp0.5 trillion capital expenditures on fixed assets and additions to biological assets, which was principally funded by net cash flows generated from operations and partly funded by bank borrowings. The Group's net debts to total equity ratio remained low at 0.05x as of end March 2012.

Total liabilities increased from Rp11.8 trillion as of last year end to Rp12.5 trillion as at 31 March 2012. The increase was mainly attributable to (i) drawdown of short term bank facilities to fund the working capital and capital expenditure; and (ii) higher trade and other payables and accruals mainly relating to purchases of raw materials and fertilisers, as well as higher advances from customers.

**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.**

Average CPO prices (CIF Rotterdam) in 1Q12 stayed firm at US\$1,107 per tonne compared to US\$1,251 in 1Q11 and US\$1,128 in FY2011, supported by weaker soybean production from South America and higher biodiesel demand particularly from the US mandates. The positive fundamentals for palm oil remain supported by consumption growth from emerging Asian economies like India and China, coupled with demand for biodiesel driven by government mandates from Europe, Brazil and Argentina. We also expect Indonesia's thriving food and beverage industry and population growth to sustain domestic demand for palm oil products.

With the onset of the "wintering season" in the key rubber producing countries in Asia, rubber prices (RSS3 SICOM) have recovered from a low of US\$3,378 per tonne in November/December 2011 and ended higher at an average of US\$3,881 per tonne in 1Q12, but this remained significantly lower compared to US\$5,732 in 1Q11 and US\$4,824 in FY2011. The long-term outlook for rubber is expected to remain upbeat, supported by healthy demand from tyre-makers, automotive industries and rubber goods manufacturers in developing economies and emerging markets. China in particular, is expected to contribute strongly to this demand, given its large population and status as the world's largest natural rubber consumer. In the medium term rubber demand growth will be driven by global GDP growth.

Sugar prices in Indonesia are relatively shielded from global fluctuations as the government operates a strict import quota system for sugar, restricting imports when domestic prices fall below the government-mandated floor price, which is currently at Rp7,000 per kilogram.

Sugar prices on the London International Financial Futures and Options Exchange (LIFFE) stayed firm at an average of US\$640 per tonne in 1Q12 compared with the previous quarter, however it remained lower versus US\$752 in 1Q11 and US\$706 in FY2011. Moving forward, the direction for sugar prices will be strongly influenced by production levels in Brazil and India, as well as the Brazilian government policies on ethanol and whether India is a net importer or net exporter of sugar.

**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.**

Not applicable.

**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 quarter 2012:

| Name of Interested Person  | Aggregate value of all Interested person transactions (excluding transactions less than S\$100,000) |   |
|--|---|---|
|  | Rp 'billion   | USD '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>   | 729.4<br>7.5  | -<br>-  |
| <b>Salim Group</b>   |   |   |
| <ul style="list-style-type: none"> <li>• Sales of cooking oil &amp; seeds</li> <li>• Purchase of FFB</li> <li>• Purchases of services</li> <li>• Interest bearing loans from Salim Group to subsidiaries in which Salim Group has a 40% shareholding interest</li> <li>• Non-interest bearing loan from Salim Group</li> <li>• Interest bearing loans to subsidiaries which Salim Group has a 40% shareholding interest                             <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 guarantees extended in favour of banks in respect of loan facilities extended to certain subsidiaries, which Salim Group has a 40% shareholding interest                             <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> | 39.5<br>17.2<br>7.4<br>121.2<br>-<br>159.4<br>164.3<br>3,267.1<br>3,339.3<br>0.1                    | -<br>-<br>-<br>-<br>17.0<br>25.5<br>26.2<br>45.3<br>47.1<br>- |

**Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual**

Pursuant to Rule 705(5) 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 first quarter ended 31 March 2012 to be false or misleading in any material aspect.

*BY THE ORDER OF THE BOARD*

Mark Julian Wakeford  
Chief Executive Officer and Executive Director

30 April 2012