

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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 | | |
|--|----------------|------------------|---------------|----------------------|------------------|---------------|
| | 30/06/2013 | 30/06/2012 | Change | 30/06/2013 | 30/06/2012 | Change |
| | Rp ' million | Rp ' million | % | Rp ' million | Rp ' million | % |
| Revenue | 3,357,944 | 3,780,147 | (11.2) | 6,454,605 | 6,979,570 | (7.5) |
| Cost of sales | (2,818,847) | (2,687,632) | 4.9 | (5,278,508) | (4,790,550) | 10.2 |
| Gross Profit | 539,097 | 1,092,515 | (50.7) | 1,176,097 | 2,189,020 | (46.3) |
| Gross Profit % | 16.1% | 28.9% | | 18.2% | 31.4% | |
| Selling and distribution costs | (114,104) | (104,255) | 9.4 | (215,942) | (192,341) | 12.3 |
| General and administrative expenses | (219,281) | (234,665) | (6.6) | (463,104) | (445,491) | 4.0 |
| Foreign exchange (losses)/ gains | (310) | (14,430) | (97.9) | (4,000) | 1,141 | n/m |
| Other operating income | 63,066 | 4,202 | n/m | 121,614 | 36,276 | n/m |
| Other operating expenses | (66,392) | (72,019) | (7.8) | (101,337) | (97,653) | 3.8 |
| Share of results of an associated company | (21,135) | (9,469) | n/m | (30,036) | (9,469) | n/m |
| Profit from operations | 180,941 | 661,879 | (72.7) | 483,292 | 1,481,483 | (67.4) |
| Financial income | 42,883 | 60,036 | (28.6) | 97,632 | 137,620 | (29.1) |
| Financial expenses | (124,481) | (134,282) | (7.3) | (251,521) | (273,549) | (8.1) |
| Profit before tax | 99,343 | 587,633 | (83.1) | 329,403 | 1,345,554 | (75.5) |
| Income tax expense | (32,273) | (141,883) | (77.3) | (109,196) | (298,988) | (63.5) |
| Net Profit for the period | 67,070 | 445,750 | (85.0) | 220,207 | 1,046,566 | (79.0) |
| Other comprehensive income | | | | | | |
| Foreign currency translation on investment in foreign operations | (20,476) | - | n/m | (19,767) | - | n/m |
| Total comprehensive income for the period | 46,594 | 445,750 | (89.5) | 200,440 | 1,046,566 | (80.8) |
| Net profit after tax attributable to:- | | | | | | |
| - Owners of the Company | 65,906 | 253,601 | (74.0) | 172,737 | 630,544 | (72.6) |
| - Non-controlling interests | 1,164 | 192,149 | (99.4) | 47,470 | 416,022 | (88.6) |
| | 67,070 | 445,750 | (85.0) | 220,207 | 1,046,566 | (79.0) |
| Total comprehensive income attributable to:- | | | | | | |
| - Owners of the Company | 44,501 | 253,601 | (82.5) | 151,636 | 630,544 | (76.0) |
| - Non-controlling interests | 2,093 | 192,149 | (98.9) | 48,804 | 416,022 | (88.3) |
| Total comprehensive income for the period | 46,594 | 445,750 | (89.5) | 200,440 | 1,046,566 | (80.8) |

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 | | |
|--|--------------|--------------|--------|----------------------|--------------|--------|
| | 30/06/2013 | 30/06/2012 | Change | 30/06/2013 | 30/06/2012 | Change |
| | Rp ' million | Rp ' million | % | Rp ' million | Rp ' million | % |
| Profit from operations | 180,941 | 661,879 | (72.7) | 483,292 | 1,481,483 | (67.4) |
| Add: Depreciation & amortisation | 215,056 | 146,887 | 46.4 | 358,819 | 267,041 | 34.4 |
| EBITDA includes foreign exchange (losses)/ gains | 395,997 | 808,766 | (51.0) | 842,111 | 1,748,524 | (51.8) |
| Less: Foreign exchange (losses)/ gains | (310) | (14,430) | (97.9) | (4,000) | 1,141 | n/m |
| EBITDA excludes foreign exchange (losses)/ gains | 396,307 | 823,196 | (51.9) | 846,111 | 1,747,383 | (51.6) |
| EBITDA% | 11.8% | 21.8% | | 13.1% | 25.0% | |

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

| | Group – YTD 6 months | | |
|--|----------------------|------------|----------|
| | 30/06/2013 | 30/06/2012 | Change % |
| In SGD 'cents (converted at Rp7,821/\$1) | | | |
| EPS | 1.5 | 5.6 | (72.3) |

| | Group | | |
|--|------------|------------|----------|
| | 30/06/2013 | 31/12/2012 | Change % |
| In SGD 'cents (converted at Rp7,841/\$1) | | | |
| NAV per share | 123.2 | 122.7 | 0.4 |

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 | | |
|---|--------------|--------------|--------|----------------------|--------------|--------|
| | 30/06/2013 | 30/06/2012 | Change | 30/06/2013 | 30/06/2012 | Change |
| | Rp ' million | Rp ' million | % | Rp ' million | Rp ' million | % |
| Depreciation of property, plant and equipment | 203,632 | 137,058 | 48.6 | 337,202 | 248,653 | 35.6 |
| Amortisation of deferred charges and others | 11,424 | 9,829 | 16.2 | 21,617 | 18,388 | 17.6 |
| Interest on borrowings | 120,539 | 127,197 | (5.2) | 244,852 | 264,020 | (7.3) |
| Gains on disposal of biological assets | (8,608) | (42) | n/m | (8,328) | (42) | n/m |
| Allowance for uncollectible and loss arising from changes in fair value of plasma receivables | 24,079 | 17,614 | 36.7 | 28,975 | 28,307 | 2.4 |
| Write-off of property and equipment | 44 | 477 | (90.8) | 1,370 | 719 | 90.5 |
| Gains / (losses) on disposal of property and equipment | 912 | 1,516 | (39.8) | (577) | 1,467 | n/m |
| Net changes in provision for decline in market value and obsolescence of inventories | (21,614) | 42,166 | n/m | (60,931) | 31,375 | n/m |
| Changes in provision for asset dismantling costs | (5,065) | (25) | n/m | (6,303) | (870) | n/m |

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 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30/06/2013 | 31/12/2012 | 30/06/2013 | 31/12/2012 |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| Non-current assets | | | | |
| Biological assets | 13,297,611 | 12,585,842 | - | - |
| Property, plant and equipment | 9,034,748 | 8,460,857 | 56,276 | 58,059 |
| Goodwill | 3,216,816 | 3,155,786 | - | - |
| Claims for tax refund | 132,079 | 322,908 | - | - |
| Deferred tax assets | 835,168 | 691,660 | - | - |
| Investment in subsidiary companies | - | - | 9,660,599 | 9,660,599 |
| Investment in an associated company | 140,933 | 141,823 | - | - |
| Investment in a joint venture | 667,109 | - | 667,109 | - |
| Advances and prepayments | 671,809 | 566,944 | 36,698 | 86,700 |
| Other non-current receivables | 601,898 | 567,625 | 22 | 21 |
| Total non-current assets | 28,598,171 | 26,493,445 | 10,420,704 | 9,805,379 |
| Current assets | | | | |
| Inventories | 1,583,518 | 1,889,006 | - | - |
| Trade and other receivables | 1,213,196 | 1,042,394 | 258,979 | 9,159 |
| Advances and prepayments | 417,581 | 180,925 | 867 | 242 |
| Prepaid taxes | 281,695 | 123,271 | - | - |
| Cash and cash equivalents | 3,965,056 | 5,082,296 | 1,676,926 | 1,633,171 |
| Total current assets | 7,461,046 | 8,317,892 | 1,936,772 | 1,642,572 |
| Total assets | 36,059,217 | 34,811,337 | 12,357,476 | 11,447,951 |
| Current liabilities | | | | |
| Trade and other payables and accruals | 2,021,685 | 1,605,682 | 28,479 | 11,311 |
| Advances and taxes payable | 199,857 | 247,861 | - | - |
| Interest-bearing loans and borrowings | 3,023,159 | 2,664,213 | - | - |
| Income tax payable | 57,118 | 91,544 | 130 | 130 |
| Total current liabilities | 5,301,819 | 4,609,300 | 28,609 | 11,441 |
| Non-current liabilities | | | | |
| Interest-bearing loans and borrowings | 3,971,804 | 3,389,772 | 739,049 | - |
| Bonds and Sukuk Ijarah payables | 727,135 | 726,232 | - | - |
| Amounts due to related parties and other payables | 382,958 | 348,674 | - | - |
| Provision and other liabilities | 23,732 | 31,908 | - | - |
| Employee benefits liabilities | 938,221 | 840,495 | - | - |
| Deferred tax liabilities | 2,067,514 | 2,036,447 | - | - |
| Total non-current liabilities | 8,111,364 | 7,373,528 | 739,049 | - |
| Total liabilities | 13,413,183 | 11,982,828 | 767,658 | 11,441 |
| Net assets | 22,646,034 | 22,828,509 | 11,589,818 | 11,436,510 |
| Attributable to owners of the Company | | | | |
| Share capital | 3,584,279 | 3,584,279 | 10,912,411 | 10,912,411 |
| Treasury shares | (124,208) | (124,208) | (124,208) | (124,208) |
| Revenue reserves | 9,871,895 | 9,794,752 | 679,564 | 504,155 |
| Other reserves | 520,343 | 541,444 | 122,051 | 144,152 |
| | 13,852,309 | 13,796,267 | 11,589,818 | 11,436,510 |
| Non-controlling interests | 8,793,725 | 9,032,242 | - | - |
| Total equity | 22,646,034 | 22,828,509 | 11,589,818 | 11,436,510 |

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

| | Group | |
|---|---------------------|---------------------|
| | 30/06/2013 | 31/12/2012 |
| | Rp ' million | Rp ' million |
| (i) Amounts payable in one year or less, or on demand | | |
| Secured | 1,956,692 | 1,692,820 |
| Unsecured | 1,066,467 | 971,393 |
| Sub-total | 3,023,159 | 2,664,213 |
| (ii) Amounts repayable after one year | | |
| Secured | 2,930,723 | 3,009,804 |
| Unsecured | 1,768,216 | 1,106,200 |
| Sub-total | 4,698,939 | 4,116,004 |
| TOTAL | 7,722,098 | 6,780,217 |

(iii) Details of the collaterals

The above bank term loans and investment loans are secured by:

- (a) corporate guarantee from a subsidiary
- (b) charge over the plantation assets of the respective subsidiary.

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 | |
|---|----------------|------------------|----------------------|------------------|
| | 30/06/2013 | 30/06/2012 | 30/06/2013 | 30/06/2012 |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| Cash flows from operating activities | | | | |
| Profit before taxation | 99,343 | 587,633 | 329,403 | 1,345,554 |
| Adjustments : | | | | |
| Depreciation and amortisation | 215,056 | 146,887 | 358,819 | 267,041 |
| Unrealised foreign exchange losses | 968 | 22,769 | 9,048 | 7,191 |
| Gains on disposal of biological assets | (8,608) | (42) | (8,328) | (42) |
| Allowance for uncollectible and loss arising from changes in fair value of plasma receivables | 24,079 | 17,614 | 28,975 | 28,307 |
| Write-off of property and equipment | 44 | 477 | 1,370 | 719 |
| Gains / (losses) on disposal of property and equipment | 912 | 1,516 | (577) | 1,467 |
| Net changes in provision for decline in market value and obsolescence of inventories | (21,614) | 42,166 | (60,931) | 31,375 |
| Changes in provision for asset dismantling costs | (5,065) | (25) | (6,303) | (870) |
| Provision for employee benefits | 48,589 | 24,477 | 97,726 | 63,786 |
| Changes in fair value of long-term receivables | 319 | 74 | 102 | (309) |
| Provision / (write-back) allowance of doubtful debts | 27 | - | (201) | - |
| Financial income | (42,883) | (60,036) | (97,632) | (137,620) |
| Financial expenses | 124,481 | 134,282 | 251,521 | 273,549 |
| Operating cash flows before working capital changes | 435,648 | 917,792 | 902,992 | 1,880,148 |
| Changes in working capital | | | | |
| Other non-current receivables | 176,068 | 42,809 | 157,641 | 32,882 |
| Inventories | 267,987 | (102,674) | 366,420 | (466,184) |
| Trade and other receivables | (186,088) | (9,061) | (224,097) | (166,992) |
| Advances to suppliers | (1,292) | 295,219 | (146,226) | (146,252) |
| Prepaid taxes | 14,772 | (5,278) | 12,529 | (43,966) |
| Trade and other payables and accruals | (76,160) | (18,514) | 166,994 | 324,592 |
| Advances from customers | (9,822) | (9,092) | (85,346) | 73,610 |
| Cash flows generated from operations | 621,113 | 1,111,201 | 1,150,907 | 1,487,838 |
| Interest received | 42,883 | 60,036 | 97,632 | 137,620 |
| Interest paid | (124,353) | (127,701) | (244,088) | (261,675) |
| Income tax paid | (225,119) | (318,260) | (429,506) | (465,407) |
| Net cash flows generated from operating activities | 314,524 | 725,276 | 574,945 | 898,376 |

| | Group – Q2 | | Group – YTD 6 months | |
|--|--------------------|--------------------|----------------------|--------------------|
| | 30/06/2013 | 30/06/2012 | 30/06/2013 | 30/06/2012 |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| Cash flows from investing activities | | | | |
| Additions to property, plant and equipment | (559,225) | (382,639) | (845,669) | (611,075) |
| Additions to biological assets | (282,291) | (213,813) | (477,514) | (420,658) |
| Increase in plasma receivables | (24,426) | (8,964) | (107,197) | (77,317) |
| Proceeds from disposal of property and equipment | 204 | 114 | 1,923 | 536 |
| Proceeds from disposal of biological assets | 9,375 | 83 | 9,523 | 83 |
| Advances for projects and purchase of fixed assets | (47,312) | (12,339) | (157,133) | (134,764) |
| Investment in an associated company | (12,260) | (137,850) | (25,555) | (137,850) |
| Investment in a joint venture | (667,109) | - | (667,109) | - |
| Acquisition of subsidiary, net of cash acquired | - | - | (329,989) | - |
| Net cash flows used in investing activities | (1,583,044) | (755,408) | (2,598,720) | (1,381,045) |
| Cash flows from financing activities | | | | |
| Proceeds from interest-bearing loans and borrowings | 1,407,142 | 224,466 | 1,943,188 | 715,311 |
| Repayment of interest-bearing loans and borrowings | (508,180) | (937,983) | (976,046) | (1,141,582) |
| Net proceeds / (payments) from amount due to related parties | 21,900 | 2,045 | 18,020 | (21,413) |
| Dividend payments by subsidiaries to non-controlling interests | (9,502) | (378,399) | (9,502) | (386,359) |
| Dividend payment by the Company | (95,594) | (31,780) | (95,594) | (31,780) |
| Proceeds from additional capital contribution from non-controlling interests | - | - | - | 23,167 |
| Payments of treasury shares | - | (18,795) | - | (18,795) |
| Net cash flows generated from/ (used in) financing activities | 815,766 | (1,140,446) | 880,066 | (861,451) |
| Net decrease in cash and cash equivalents | (452,754) | (1,170,578) | (1,143,709) | (1,344,120) |
| Effect of changes in exchange rates on cash and cash equivalents | 27,217 | 22,086 | 26,469 | 54,562 |
| Cash and cash equivalents at the beginning of the period | 4,390,593 | 6,394,138 | 5,082,296 | 6,535,204 |
| Cash and cash equivalents at the end of the period | 3,965,056 | 5,245,646 | 3,965,056 | 5,245,646 |

- 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 | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | 30/06/2013 Rp ' million | 30/06/2012 Rp ' million | 30/06/2013 Rp ' million | 30/06/2012 Rp ' million |
| Issued Capital | | | | |
| Balance as at 1 January / 30 June ⁽¹⁾ | 3,584,279 | 3,584,279 | 10,912,411 | 10,912,411 |
| Treasury shares (IndoAgri) | | | | |
| Balance as at 1 January / 30 June | (124,208) | (81,413) | (124,208) | (81,413) |
| Purchase of treasury shares | - | (18,795) | - | (18,795) |
| Balance as at 30 June | (124,208) | (100,208) | (124,208) | (100,208) |
| Reserves | | | | |
| Balance as at 1 January | 9,794,752 | 8,777,210 | 504,155 | 231,727 |
| Dividend payment | (95,594) | (31,780) | (95,594) | (31,780) |
| Net profit and total recognised income for the period | 172,737 | 630,544 | 271,003 | 264,912 |
| Balance as at 30 June | 9,871,895 | 9,375,974 | 679,564 | 464,859 |
| Other Reserves * | | | | |
| Balance as at 1 January | 541,444 | 538,431 | 144,152 | 144,152 |
| Foreign currency translation | (21,101) | - | (22,101) | - |
| Balance as at 30 June | 520,343 | 538,431 | 122,051 | 144,152 |
| Non-controlling Interests | | | | |
| Balance as at 1 January | 9,032,242 | 8,622,050 | - | - |
| Dividend payments by subsidiaries | (289,321) | (386,359) | - | - |
| Non-controlling interest of acquired subsidiary | 2,000 | - | - | - |
| Capital contribution from non-controlling interests | - | 23,167 | - | - |
| Foreign currency translation | 1,334 | - | - | - |
| Net profit and total recognised income for the period | 47,470 | 416,022 | - | - |
| Balance as at 30 June | 8,793,725 | 8,674,880 | - | - |
| Total Equity | 22,646,034 | 22,073,356 | 11,589,818 | 11,421,214 |

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.

- * Other reserves comprise capital reserves of subsidiary companies; gain on sale of treasury shares and foreign currency translation differences.

- (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 2013, the number of issued shares were 1,447,782,830, of which 13,500,000 shares were held as treasury shares. As of 30 June 2012, the number of issued shares were 1,447,782,830, of which 11,000,000 shares were held as treasury shares.

There were no outstanding convertibles as at 30 June 2013 and 2012.

- (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 | |
|---|------------------|------------------|
| | 30/06/2013 | 31/12/2012 |
| | (' 000) | (' 000) |
| Total number of issued shares | 1,447,783 | 1,447,783 |
| Less: Treasury shares | (13,500) | (13,500) |
| Total number of issued shares excluding treasury shares | 1,434,283 | 1,434,283 |

- (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 / 30 June 2013 | 13,500 | 124,208 |

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 30 June 2013.

| | Group – Q2 | | | Group – YTD 6 months | | |
|---|------------|------------|----------|----------------------|------------|----------|
| | 30/06/2013 | 30/06/2012 | Change % | 30/06/2013 | 30/06/2012 | Change % |
| Earnings per share (Rp) | | | | | | |
| Based on weighted average number of share | 46 | 176 | (73.9) | 120 | 438 | (72.3) |
| Based on a fully diluted basis | 46 | 176 | (73.9) | 120 | 438 | (72.3) |

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 1,434,282,830 (excluding 13,500,000 held as treasury shares as of 30 June 2013 and 31 December 2012).

| | Group | | Company | |
|--------------------------------|------------|------------|------------|------------|
| | 30/06/2013 | 31/12/2012 | 30/06/2013 | 31/12/2012 |
| Net asset value per share (Rp) | 9,658 | 9,619 | 8,081 | 7,974 |

- 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 | | |
|--|----------------------------|----------------------------|---------------|----------------------------|----------------------------|---------------|
| | 30/06/2013 Rp ' million | 30/06/2012 Rp ' million | Change % | 30/06/2013 Rp ' million | 30/06/2012 Rp ' million | Change % |
| Revenue | | | | | | |
| Plantations | | | | | | |
| External sales | 1,124,724 | 1,048,491 | 7.3 | 2,286,386 | 1,883,532 | 21.4 |
| Inter-segment sales * | 802,708 | 1,219,392 | (34.2) | 1,384,241 | 2,219,427 | (37.6) |
| Sub-total | 1,927,432 | 2,267,883 | (15.0) | 3,670,627 | 4,102,959 | (10.5) |
| Edible Oils & Fats ** | | | | | | |
| External sales | 2,233,220 | 2,731,656 | (18.2) | 4,168,219 | 5,096,038 | (18.2) |
| Inter-segment sales * | 4,278 | - | n/m | 4,278 | - | n/m |
| Sub-total | 2,237,498 | 2,731,656 | (18.1) | 4,172,497 | 5,096,038 | (18.1) |
| Elimination of inter segment sales * | (806,986) | (1,219,392) | (33.8) | (1,388,519) | (2,219,427) | (37.4) |
| Total revenue to external parties | 3,357,944 | 3,780,147 | (11.2) | 6,454,605 | 6,979,570 | (7.5) |
| Gross Profit | 539,097 | 1,092,515 | (50.7) | 1,176,097 | 2,189,020 | (46.3) |
| Gross Profit % | 16.1% | 28.9% | | 18.2% | 31.4% | |

* 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 reported total consolidated revenue of Rp3.4 trillion and Rp6.5 trillion in 2Q13 and 1H13 respectively, registering 11% and 8% decline over the comparative periods in 2012. The sales performance was adversely affected by lower average prices of key plantation crops (i.e. palm products and rubber), lower cooking oil and copra-based products sales. The decline in selling prices of key plantation crops and higher production cost contributed to 85% and 79% decline in Net Profit After Tax over 2Q12 and 1H12.

Revenue: Plantation Division's total revenue came in 15% and 11% lower than the same periods in 2012, this was despite achieving higher sales volume of crude palm oil (CPO) in 2Q13 and 1H13. The positive CPO volume impact was more than offset by lower average selling price of key plantation crops, reflecting the adverse effects arising from the decline in commodity prices.

Edible Oils & Fats (EOF) Division posted total revenue of Rp2.2 trillion and Rp4.2 trillion in 2Q13 and 1H13 respectively, registering 18% decline over the comparative periods in 2012. The sales decline was primarily attributable to the combined effects of lower sales volume of bulk oil and copra-based products, as well as lower average selling prices following the 10% price reduction for consumer cooking oil and margarine with effect from April 2013.

Gross Profit: Group's gross profit declined 51% and 46% in 2Q13 and 1H13 respectively primarily attributable to the adverse effect arising from lower average selling prices for plantation crops. This was further negatively impacted by higher production cost arising from rising wages and partly arising from newly matured plantations. On the other hand, EOF Division continued to deliver consistent profitability, contributing positively to the Group's results.

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

The Group reported higher S&D expenses of Rp114 billion and Rp216 billion in 2Q13 and 1H13, rising 9% and 12% over the same periods last year principally due to higher inbound transportation expenses relating to higher CPO sales in Indonesia, higher A&P and distribution cost.

The Group recognised higher Other Operating Income of Rp63 billion and Rp122 billion in 2Q13 and 1H13 respectively mainly attributable to reversals of provision of allowance for decline in market values of inventories due to reduction in stock level.

Share of results of an associated company were related to the investment in Heliae, a development stage company which develops technology solutions for the commercial production of a variety of potential uses including food & feed, fertilizer, chemicals, pharmaceuticals.

Profit from Operations: The Group reported lower profit from operations of Rp181 billion in 2Q13, a 73% decline over the same quarter last year mainly due to lower gross profit. On year-to-date basis, the profit from operations was likewise lower for the same reason.

Financial income / expenses: The Group recognised lower financial income in 2Q13 and 1H13 mainly attributable to lower fixed deposit placements with the banks.

Net Profit After Tax (NPAT): the Group's 2Q13 and 1H13 NPAT declined 85% and 79% respectively against the comparative periods in 2012 primarily due to lower profits from operations as explained above.

Review of Financial Position

As of end June 2013, the Group's total non-current assets stood at Rp28.6 trillion compared to Rp26.5 trillion in last year end. 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 and on-going construction works relating to palm oil mills; and (iii) recognition of a 50% Investment in a Joint Venture (i.e. CMAA) in 2Q13. This increase was however partly offset by Rp0.2 trillion of tax refunds.

The Group reported total current assets of Rp7.5 trillion, a 10% down from last year end of Rp8.3 trillion. This was mainly due to lower cash levels of Rp4.0 trillion compared to Rp5.1 trillion in the previous year end, as well as a significant reduction in CPO stocks.

The decline in cash levels was principally attributable to (i) the acquisition of a subsidiary, MPM in 1Q13 for Rp0.3 trillion; (ii) the investment in a Joint Venture – CMAA in 2Q13 for Rp0.7 trillion (US\$66.6 million); and funding for capital expenditure during the period. The cash outflows for such investing activities were partly funded by positive net cash flows generated from operations of Rp0.6 trillion and additional interest-bearing loans and borrowings of Rp1 trillion.

Total liabilities ended higher at Rp13.4 trillion as of end June compared to last year end of Rp12.0 trillion, principally due to higher interest-bearing loans and borrowings, and higher trade and other payable and accruals.

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.**

The slowing down of economic growth particularly in China and Europe, slower biodiesel demand in Europe and expectations of stronger palm oil supplies in 2H13 and larger soybean harvests from the US have put significant pressure on commodity prices. After hitting a 2-year low of US\$776 per tonne in December 2012, CPO prices (CIF Rotterdam) recovered slightly to US\$847 in 1H13 but it remained significantly lower than 2012's level of US\$1,006. On a positive note, Indonesia has now become one of the largest consumers of palm oil together with China and India. We also expect Indonesia's growing food and beverage industry to sustain domestic demand for palm oil products.

Rubber prices (RSS3 SICOM) continued to come under pressure with an average of US\$3,031 per tonne in 1H13 compared to US\$3,384 in 2012 on expectation of slower demand from major rubber consuming countries, particularly China, US and Europe. The long-term outlook for rubber remains upbeat, supported by healthy demand from tyre-makers, automotive industries and rubber goods manufacturers in developing markets.

Indonesia remains a net importer of sugar with over 50% of its domestic sugar demand fulfilled by imported sugar. Sugar prices in Indonesia are relatively shielded from global fluctuations with government's policies aimed at protecting the domestic industry and particularly the smallholder farmers. Currently the domestic sugar price in Indonesia is above the international market as the government operates a strict import quota system for sugar, restricting imports when domestic prices fall below the government-mandated floor price of Rp8,100 per kilogram which took effect since May 2012.

Business Expansions

On 8 March 2013, the Company's subsidiaries, PT Salim Ivomas Pratama Tbk and PT PP London Sumatra Indonesia Tbk acquired an effective interest of 79.7% in MPM for Rp330 billion (approximately US\$34 million). MPM in turn owns the SAL Group, which holds three industrial forest plantation concessions for a total area of 73,330 hectares in Berau and East Kutai, East Kalimantan. This acquisition fits into the Group's agriculture business model and enhances its diversification into other agriculture crops through intercropping.

On 25 June 2013, the Group completed the acquisition of a 50% equity stake in Companhia Mineira de Açúcar e Alcool Participações (CMAA) for a cash consideration of BRL143.4 million (approximately US\$66.6 million), a company engages in the cultivation and processing of sugar cane for the production and marketing of ethanol and sugar, as well as co-generation of electric power from sugar cane bagasse in Brazil. Currently CMAA operates one mill in Vale do Tijuco with a total crushing capacity of 3.0 million tonnes per year, and can be expanded to 3.8 million tonnes by 2014/15.

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 2013.

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 2013:

| Name of Interested Person | Aggregate value of all Interested person transactions (excluding transactions less than S\$100,000) | |
|---|---|---|
| | Rp 'billion | USD 'million |
| PT ISM Group | | |
| <ul style="list-style-type: none"> • Sales of cooking oil, margarine and others • Purchase of goods and services | 1,481.6 12.8 | - - |
| Salim Group | | |
| <ul style="list-style-type: none"> • Sales of cooking oil & seeds • Purchase of FFB • Management Fee • Purchases of goods and services • Rental of office space • Interest bearing loans from Salim Group • Non-interest bearing loan from Salim Group • Interest bearing loans to subsidiaries which Salim Group has a 40% shareholding interest <ul style="list-style-type: none"> ○ Principal amount outstanding in respect of the interest bearing loans at end of period ○ Maximum loan outstanding (inclusive of principal and interest) during the period • 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"> ○ Principal amount outstanding in respect of the bank loan facilities at end of period ○ Maximum loan outstanding (inclusive of principal and interest) during the period • Rental of land | 56.9 30.7 0.6 68.1 0.02 192.1 - 262.1 282.3 4,210.2 4,269.3 0.3 | - - - - - - 17.4 26.1 26.4 36.0 40.0 - |

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 second quarter ended 30 June 2013 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
Chief Executive Officer and Executive Director

14 August 2013