

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2014

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 – Q4			Group – Full Year		
	31/12/2014	31/12/2013	Change	31/12/2014	31/12/2013	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	4,192,489	3,748,900	11.8	14,962,727	13,279,778	12.7
Cost of sales	(2,865,111)	(2,557,653)	12.0	(10,594,799)	(10,076,106)	5.1
Gross Profit	1,327,378	1,191,247	11.4	4,367,928	3,203,672	36.3
Gross Profit %	31.7%	31.8%		29.2%	24.1%	
Selling and distribution costs	(144,034)	(95,589)	50.7	(454,530)	(421,335)	7.9
General and administrative expenses	(286,957)	(258,334)	11.1	(1,119,707)	(970,835)	15.3
Foreign exchange losses	(49,612)	(107,928)	(54.0)	(110,531)	(200,642)	(44.9)
Other operating income	57,984	44,057	31.6	133,828	193,370	(30.8)
Other operating expenses	(45,092)	5,160	n/m	(219,350)	(167,707)	30.8
Share of results of associate companies	(90,431)	(23,938)	n/m	(149,883)	(70,063)	n/m
Share of results of a joint venture	11,370	13,977	(18.7)	28,918	64,153	(54.9)
Profit from operations before biological asset gains	780,606	768,652	1.6	2,476,673	1,630,613	51.9
Gain arising from changes in fair value of biological assets	59,592	61,546	(3.2)	59,592	61,546	(3.2)
Profit from operations including biological asset gains	840,198	830,198	1.2	2,536,265	1,692,159	49.9
Financial income	59,683	48,669	22.6	228,466	185,474	23.2
Financial expenses	(203,241)	(148,719)	36.7	(757,365)	(539,201)	40.5
Profit before tax	696,640	730,148	(4.6)	2,007,366	1,338,432	50.0
Income tax expense	(292,239)	(211,412)	38.2	(679,207)	(417,240)	62.8
Net Profit for the period/ year	404,401	518,736	(22.0)	1,328,159	921,192	44.2
Other comprehensive income						
Foreign currency translation on investment in foreign operations	(40,802)	2,579	n/m	(64,134)	104,189	n/m
Actuarial loss on employee benefits liability	(13,919)	(112,413)	(87.6)	(13,919)	(112,413)	(87.6)
Total comprehensive income for the period/ year	349,680	408,902	(14.5)	1,250,106	912,968	36.9
Net profit after tax attributable to:-						
- Owners of the Company	225,448	227,578	(0.9)	758,713	523,168	45.0
- Non-controlling interests	178,953	291,158	(38.5)	569,446	398,024	43.1
	404,401	518,736	(22.0)	1,328,159	921,192	44.2
Total comprehensive income attributable to:-						
- Owners of the Company	171,234	164,924	3.8	680,216	553,610	22.9
- Non-controlling interests	178,446	243,978	(26.9)	569,890	359,358	58.6
Total comprehensive income for the period/ year	349,680	408,902	(14.5)	1,250,106	912,968	36.9

n.m. denotes "Not Meaningful"

Additional Information:-

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

	Group – Q4			Group – Full Year		
	31/12/2014	31/12/2013	Change	31/12/2014	31/12/2013	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	840,198	830,198	1.2	2,536,265	1,692,159	49.9
Add: Depreciation & amortisation	177,501	163,663	8.5	813,387	782,991	3.9
Less: Gain arising from changes in fair value of biological assets	(59,592)	(61,546)	(3.2)	(59,592)	(61,546)	(3.2)
EBITDA includes foreign exchange losses	958,107	932,315	2.8	3,290,060	2,413,604	36.3
Less: Foreign exchange losses	(49,612)	(107,928)	(54.0)	(110,531)	(200,642)	(44.9)
EBITDA excludes foreign exchange losses	1,007,719	1,040,243	(3.1)	3,400,591	2,614,246	30.1
EBITDA%	24.0%	27.7%		22.7%	19.7%	

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

	Group – Full Year		
	31/12/2014	31/12/2013	Change %
In SGD 'cents (converted at Rp9,370/S\$1)			
EPS	5.7	3.9	46.3

	Group		
	31/12/2014	31/12/2013	Change %
In SGD 'cents (converted at Rp9,422/S\$1)			
NAV per share	109.6	104.8	4.6

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

Other information:-	Group – Q4			Group – Full Year		
	31/12/2014	31/12/2013	Change	31/12/2014	31/12/2013	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	166,316	154,218	7.8	768,596	737,147	4.3
Amortisation of deferred charges and others	11,185	9,445	18.4	44,791	45,844	(2.3)
Interest on borrowings	198,146	143,452	38.1	740,805	523,183	41.6
Loss/ (gains) on disposal of biological assets	-	35	(100.0)	2,413	(8,710)	n/m
Allowance for uncollectible and loss arising from changes in amortised cost of plasma receivables	(2,737)	(40,008)	(93.2)	45,711	23,953	90.8
Write-off of property and equipment	244	1,274	(80.8)	2,113	2,696	(21.6)
Gain on disposals of property and equipment	(6,926)	(645)	n/m	(7,176)	(430)	n/m
Net changes in provision for decline in market value and obsolescence of inventories	10,902	11,434	(4.7)	21,970	(64,583)	n/m
Changes in provision for asset dismantling costs	1,606	802	100.2	2,565	(7,364)	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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets				
Biological assets	15,060,646	13,893,246	-	-
Property, plant and equipment	11,026,669	9,780,693	50,918	54,579
Goodwill	3,253,637	3,247,532	-	-
Claims for tax refund	148,545	236,529	-	-
Deferred tax assets	1,152,977	962,678	-	-
Investment in subsidiary companies	-	-	10,327,919	10,327,919
Investment in associate companies	410,558	398,860	354,335	209,460
Investment in a joint venture	801,153	863,768	-	-
Amount due to related parties	-	-	730,000	-
Advances and prepayments	752,508	706,696	36,698	36,698
Other non-current receivables	735,539	676,518	9	25
Total non-current assets	33,342,232	30,766,520	11,499,879	10,628,681
Current assets				
Inventories	1,773,329	1,568,496	-	-
Trade and other receivables	1,056,166	1,139,637	69,328	64,909
Advances and prepayments	165,898	293,191	6,398	4,942
Prepaid taxes	231,179	134,074	-	-
Cash and cash equivalents	3,585,780	3,802,920	887,447	1,687,628
Total current assets	6,812,352	6,938,318	963,173	1,757,479
Total assets	40,154,584	37,704,838	12,463,052	12,386,160
Current liabilities				
Trade and other payables and accruals	1,854,311	1,716,990	14,272	15,729
Advances and taxes payable	203,780	220,256	-	-
Interest-bearing loans and borrowings	4,749,195	3,761,669	-	-
Bonds and Sukuk Ijarah payables	-	728,093	-	-
Income tax payable	144,183	77,343	443	754
Total current liabilities	6,951,469	6,504,351	14,715	16,483
Non-current liabilities				
Interest-bearing loans and borrowings	5,068,141	4,304,964	929,793	908,747
Amounts due to related parties and other payables	590,259	532,003	-	-
Provision and other liabilities	25,199	22,633	-	-
Employee benefits liabilities	1,803,240	1,555,851	-	-
Deferred tax liabilities	1,999,124	1,951,802	-	-
Total non-current liabilities	9,485,963	8,367,253	929,793	908,747
Total liabilities	16,437,432	14,871,604	944,508	925,230
Net assets	23,717,152	22,833,234	11,518,544	11,460,930

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Equity attributable to owners of the Company				
Share capital	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares	(238,263)	(238,263)	(238,263)	(238,263)
Revenue reserves	10,666,852	9,989,279	700,244	642,630
Other reserves	615,829	661,155	144,152	144,152
	14,628,697	13,996,450	11,518,544	11,460,930
Non-controlling interests	9,088,455	8,836,784	-	-
Total equity	23,717,152	22,833,234	11,518,544	11,460,930

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

	Group	
	31/12/2014	31/12/2013
	Rp ' million	Rp ' million
(i) Amounts payable in one year or less, or on demand		
Secured	2,060,843	2,269,528
Unsecured	2,688,352	2,220,234
Sub-total	4,749,195	4,489,762
(ii) Amounts repayable after one year		
Secured	4,141,487	3,375,235
Unsecured	926,654	929,729
Sub-total	5,068,141	4,304,964
TOTAL	9,817,336	8,794,726

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 – Q4		Group – Full Year	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
Profit before tax	696,640	730,148	2,007,366	1,338,432
Adjustments :				
Depreciation and amortization	177,501	163,663	813,387	782,991
Realisation of deferred costs	469	49,511	143,427	153,099
Unrealised foreign exchange losses	49,872	156,514	85,163	229,753
Loss/ (gain) on disposal of biological assets	-	35	2,413	(8,710)
Provision for uncollectible and loss arising from changes in amortised cost of plasma receivables	(2,736)	8,074	45,711	72,035
Write-off of property and equipment	244	1,274	2,113	2,696
Gain on disposal of property and equipment	(6,926)	(645)	(7,176)	(430)
Net changes in provision for decline in market value and obsolescence of inventories	10,902	11,433	21,970	(64,584)
Provision for allowance of doubtful debts	(3)	61	101	356
Gain arising from changes in fair value of biological assets	(59,592)	(61,546)	(59,592)	(61,546)
Changes in provision for asset dismantling costs	1,606	2,387	2,565	(5,779)
Reversal of provision of estimated liabilities for asset dismantling costs	-	(1,585)	-	(1,585)
Change in estimated liability for employee benefits	40,638	60,439	278,317	200,717
Changes in fair value of long-term receivables	134	158	192	464
Share of results of associated companies	90,431	23,938	149,883	70,063
Share of results of a joint venture	(11,370)	(13,977)	(28,918)	(64,153)
Financial income	(59,683)	(48,669)	(228,466)	(185,474)
Financial expenses	203,241	148,719	757,365	539,201
Operating cash flows before working capital changes	1,131,368	1,229,932	3,985,821	2,997,546
Changes in working capital				
Other non-current assets	(21,117)	(21,178)	103,686	122,800
Inventories	542,995	165,708	(226,803)	385,094
Trade and other receivables	62,536	7,976	72,032	(52,597)
Advances to suppliers	14,799	14,067	129,930	(100,007)
Prepaid taxes	19,897	(7,658)	(94,905)	(10,803)
Trade and other payables and accruals	(259,497)	(209,235)	35,597	(44,647)
Advances from customers	51,953	38,388	1,479	(50,045)
Cash flows generated from operations	1,542,934	1,218,000	4,006,837	3,247,341
Interest received	60,833	48,669	234,002	185,474
Interest paid	(194,875)	(144,422)	(733,566)	(518,160)
Income tax paid	(196,493)	(140,845)	(724,677)	(749,079)
Net cash flows generated from operating activities	1,212,399	981,402	2,782,596	2,165,576

	Group – Q4		Group – Full Year	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Additions to property, plant and equipment	(536,605)	(571,586)	(1,813,948)	(1,949,959)
Additions to biological assets	(349,120)	(354,052)	(1,242,758)	(1,141,235)
Increase in plasma receivables	(22,638)	(3,667)	(68,459)	(168,641)
Proceeds from disposal of property and equipment	12,343	1,451	14,050	4,660
Proceeds from disposal of biological assets	-	-	1,784	10,274
Advances for projects and purchase of fixed assets	(53,062)	(69,335)	(354,637)	(277,307)
Investment in associate companies	-	(223,538)	(150,875)	(288,668)
Investment in a joint venture	-	-	-	(689,073)
Payment for convertible note	-	-	(57,020)	-
Acquisition of subsidiary, net of cash acquired	-	-	(34,952)	(329,989)
Acquisition of non-controlling interests	-	(150)	-	(150)
Net cash flows used in investing activities	(949,082)	(1,220,877)	(3,706,815)	(4,830,088)
Cash flows from financing activities				
Proceeds from interest-bearing loans and borrowings	974,452	1,612,594	3,833,031	4,706,544
Repayment of interest-bearing loans and borrowings	(853,258)	(1,411,267)	(2,108,045)	(3,116,421)
Net proceeds from amount due to related parties	66,644	96,746	66,966	128,766
Dividend payments by subsidiaries to non-controlling interests	(4,179)	(2,388)	(176,723)	(291,709)
Dividend payment to Company's shareholders	-	-	(67,798)	(95,594)
Proceeds from additional capital contribution from non-controlling interests	38,638	-	38,638	-
Acquisition of treasury shares	-	(67,328)	(166,260)	(212,226)
Payment of bonds and Sukuk ijarah	(730,000)	-	(730,000)	-
Net cash flows generated (used in)/generated from financing activities	(507,703)	228,357	689,809	1,119,360
Net decrease in cash and cash equivalents	(244,386)	(11,118)	(234,410)	(1,545,152)
Effect of changes in exchange rates on cash and cash equivalents	15,602	27,471	17,270	265,776
Cash and cash equivalents at the beginning of the period/ year	3,814,564	3,786,567	3,802,920	5,082,296
Cash and cash equivalents at the end of the year	3,585,780	3,802,920	3,585,780	3,802,920

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	
	31/12/2014 Rp ' million	31/12/2013 Rp ' million	31/12/2014 Rp ' million	31/12/2013 Rp ' million
Issued Share				
Balance as at 1 January / 31 December ⁽¹⁾	3,584,279	3,584,279	10,912,411	10,912,411
Treasury Shares (IndoAgri)				
Balance as at 1 January	(238,263)	(124,208)	(238,263)	(124,208)
Purchase of treasury shares	-	(114,055)	-	(114,055)
Balance as at 31 December	(238,263)	(238,263)	(238,263)	(238,263)
Reserves				
Balance as at 1 January (As previously stated)	9,989,279	9,794,752	642,630	504,155
Cumulative effect of adopting FRS19	-	(170,346)	-	-
Balance as at 1 January (As restated)	9,989,279	9,624,406	642,630	504,155
Dividend payment	(67,798)	(95,594)	(67,798)	(95,594)
Actuarial loss on employee benefits liability	(13,342)	(62,701)	-	-
Net profit and total recognized income for the year	758,713	523,168	125,412	234,069
Balance as at 31 December	10,666,852	9,989,279	700,244	642,630
Other Reserves*				
Balance as at 1 January (As previously stated)	661,155	541,444	144,152	144,152
Cumulative effect of adopting FRS19	-	5	-	-
Balance as at 1 January (As restated)	661,155	541,449	144,152	144,152
Treasury stock	28,980	27,285	-	-
Difference arising from changes in subsidiary equity	(9,151)	-	-	-
Acquisition of non-controlling interest by a subsidiary	-	(722)	-	-
Foreign currency translation	(65,155)	93,143	-	-
Balance as at 31 December	615,829	661,155	144,152	144,152
Non-controlling Interests				
Balance as at 1 January (As previously stated)	8,836,784	9,032,242	-	-
Cumulative effect of adopting FRS19	-	(140,223)	-	-
Balance as at 1 January (As restated)	8,836,784	8,892,019	-	-
Dividend payments by subsidiaries	(176,723)	(291,709)	-	-
Non-controlling interest of acquired subsidiary	44,593	2,000	-	-
Difference arising from changes in subsidiary equity	9,151	-	-	-
Acquisition of NCI portion	-	572	-	-
Treasury stock	(195,240)	(125,456)	-	-
Actuarial loss on employee benefits liability	(577)	(49,712)	-	-
Foreign currency translation	1,021	11,046	-	-
Net profit and total recognized income for the year	569,446	398,024	-	-
Balance as at 31 December	9,088,455	8,836,784	-	-
Total Equity	23,717,152	22,833,234	11,518,544	11,460,930

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 31 December 2014 and 2013, the number of issued shares were 1,447,782,830, of which 30,500,000 shares were held as treasury shares.

There were no outstanding convertibles as at 31 December 2014 and 2013.

(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	
	31/12/2014	31/12/2013
	(' 000)	(' 000)
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	(30,500)	(30,500)
Total number of issued shares excluding treasury shares	1,417,283	1,417,283

(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 2014 / 31 December 2014	30,500	238,263

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 year, except for the changes discussed in Paragraph 5 below.

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 December 2014.

Earnings per share (Rp)	Group – Full Year		Change %
	31/12/2014	31/12/2013	
Based on weighted average number of share	535	366	46.3
Based on a fully diluted basis	535	366	46.3

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 1,417,282,830 (excluding 30,500,000 held as treasury shares as of 31 December 2014 and 31 December 2013.)

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net asset value per share (Rp)	10,322	9,876	8,127	8,087

- 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 – 4Q			Group – Full Year		
	31/12/2014 Rp ' million	31/12/2013 Rp ' million	Change %	31/12/2014 Rp ' million	31/12/2013 Rp ' million	Change %
Revenue						
Plantations						
External sales	1,943,639	1,485,036	30.9	5,149,364	4,661,754	10.5
Inter-segment sales *	889,015	1,252,427	(29.0)	5,128,167	3,788,488	35.4
Sub-total	2,832,654	2,737,463	3.5	10,277,531	8,450,242	21.6
Edible Oils & Fats **						
External sales	2,248,850	2,263,864	(0.7)	9,813,363	8,618,024	13.9
Inter-segment sales *	17,322	4,791	261.6	21,284	9,069	134.7
Sub-total	2,266,172	2,268,655	(0.1)	9,834,647	8,627,093	14.0
Elimination of inter-segment sales *	(906,337)	(1,257,218)	(27.9)	(5,149,451)	(3,797,557)	35.6
Total revenue to external parties	4,192,489	3,748,900	11.8	14,962,727	13,279,778	12.7
Gross Profit	1,327,378 31.7%	1,191,247 31.8%	11.4	4,367,928 29.2%	3,203,672 24.1%	36.3

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

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

Financial Performance

Overview: 2014 was a challenging year for the palm oil industry due to the effects of the global economic slowdown and higher supply of competing vegetable oils, particularly soybean oil. Falling crude oil prices also reduced the discretionary usage of vegetable oils for biodiesel production. This has resulted in the decline in international crude palm oil (CPO) prices denominated in US dollar in 2014. Nonetheless the average selling prices in Rupiah remained higher year-on-year due to a weakened Rupiah.

Total consolidated revenue increased 12% to Rp4.2 trillion in 4Q14 over the same quarter last year primarily due to higher sales volume of crude palm oil (CPO) to external parties, but this was partly offset by lower average selling prices for palm products. On full year basis, the Group delivered a positive set of results with consolidated revenue up 13% to Rp15.0 trillion. The improved sales was principally attributable to a positive contribution from the Plantation Division on higher commodity prices for palm products i.e. CPO and PK and higher edible oil sales. In line with this, 2014 Net profit after tax (NPAT) rose by 44% to Rp1.3 trillion.

Plantation Division's total revenue grew 4% in 4Q14 over the same quarter last year, reflecting the effect of higher CPO sales volume. But this was offset by lower selling prices of palm products. Segment profit for this division came in lower during the quarter in line with lower commodity prices. On full year basis, this division reported a 22% revenue growth to Rp10.3 trillion, principally reflecting higher sales volume of CPO and higher average selling prices of palm products. Internal CPO sales to the Edible Oils & Fats Division increased 35% to Rp5.1 trillion, all at market prices. In line with this, Plantation Division recorded stronger EBITDA earnings in 2014.

The Edible Oils & Fats (EOF) Division reported flat revenue in 4Q14. The sales performance reflected the combined effects of higher average selling prices, but offset by lower sales volume of edible oil products. On full year basis, total revenue for EOF Division grew 14% to Rp9.8 trillion on higher sales volume and average selling prices for edible oil products. Profitability of this division has fallen due to the narrowing of domestic palm olein and CPO prices arising from the increased refining capacity in Indonesia. We will continue to differentiate the market with new product offerings and further develop the distribution network for deeper market penetration.

Gross Profit: In line with the higher sales volume of CPO in 4Q14, gross profit grew 11% to Rp1.3 trillion. On full year basis, gross profit increased 36% to Rp4.4 trillion on higher average selling prices of palm products and higher sales volumes of CPO. Gross profit margin for 2014 was 29.2% compared to 24.1% in 2013.

Selling and Distribution Expenses (S&D): The Group reported higher S&D expenses in 4Q14 principally due to higher marketing and promotion expenses. On year-to-date basis, S&D were 8% higher compared to last year.

General and Administrative Expenses (G&A) came in higher in 4Q14 and 2014 compared to the corresponding periods in 2013 principally due to increased salaries and employee benefits.

Other Operating Income/ (Expenses): The Group recognized Other operating income of Rp134 billion in 2014 against Rp193 billion in last year mainly attributable to net movements in provision for decline in market values of inventories. Other operating expenses were Rp219 billion in 2014 compared to Rp168 billion in 2013 mainly attributable to higher charges relating to plasma projects and overhead costs for certain assets not in use.

Foreign exchange (losses)/gains were principally attributable to the translation of US dollar denominated loans, assets and liabilities. The Group recognised lower foreign currency losses in 4Q14 and 2014 compared to the corresponding periods in 2013. The foreign exchange losses were attributable to a weakening of Indonesian Rupiah against US dollar and Singapore dollar during the periods.

Share of results of associate companies were related to (i) Heliae, a R&D development stage company which engages in the development of technology solutions for the algae commercial production of a variety of potential uses including food & feed, fertilizer, chemicals and pharmaceuticals; and (ii) FP Natural Resources Limited (FPNRL), which in turn holds 34% stake in Roxas Holdings Inc. (Roxas), the largest integrated sugar business in the Philippines. The Group recognised share of losses of Rp150 billion in 2014 compared to Rp70 billion in 2013. Of which, Rp40 billion provision is non-cash in nature.

Share of results of a joint venture was related to CMAA, a 50% joint venture acquired by the Company in June 2013. The Group adopted equity accounting for this investment. The Group recognised Rp11 billion profit in 4Q14 compared to Rp14 billion in 4Q13, the lower profit was partly attributable to lower raw sugar prices. On year-to-date basis, the Group's share of profit in CMAA was Rp29 billion whereas last year we included only 6 months results.

Gain arising from changes in fair values of biological assets: The Group adopts annual valuation of the biological assets (which primarily comprise of oil palm, rubber and sugar cane plantations), which is in line with the industry practice. The Group recognised Rp60 billion gains in December 2014 compared to Rp62 billion gains in last year. This was mainly due to higher projected CPO prices in Rupiah terms due to a weaker projected Rupiah currency against the US dollar, but partly offset by the effects of higher discount rate and lower rubber prices.

Profit from Operations before biological assets gains in 4Q14 was Rp0.8 trillion, a 2% increase over the same period last year on higher gross profit, but partly offset by higher operating expenses. On full year basis, the Group reported higher profit from operations of Rp2.5 trillion in 2014, a 52% increase over the preceding year mainly due to improved gross profit and lower foreign exchange losses. This was partly offset by higher operating expenses and share of losses of associate companies.

Financial Income / (Financial Expenses): The Group recognised higher financial income during the quarter and on full year basis mainly due to increased deposit rates. Whereas higher financial expenses were attributable to higher interest bearing loans and increased interest rates during the periods.

Net Profit After Tax (NPAT) in 4Q14 was Rp0.4 trillion, a decline of 22% over 4Q13 primarily due to higher Profit from operation, but this was fully offset by higher finance expenses and higher effective income tax rate. The higher effective tax rate was due to the write-off of expired unabsorbed losses carried forward and non-tax deductible items. On full year basis, NPAT came in higher at Rp1.3 trillion, up 44% from 2013. This was primarily due to higher profit from operations, partly offset by higher financial expenses. In line with this, the Group's attributable profit grew 45% to Rp0.8 trillion in 2014.

Other comprehensive income – The foreign currency translation on investment in foreign operation was related to the investments in Heliae and CMAA, which are denominated in US dollar and Brazilian Reals, respectively. The Group recognised translation losses of Rp41 billion in 4Q14 and Rp64 billion for full year arising from the weakening of Brazilian Reals and Rupiah against US dollar during the year.

Review of Financial Position

The Group recorded a 8% increase in non-current assets from Rp30.8 trillion in last year end to Rp33.3 trillion as of end December 2014. The increase was principally attributable to the following:-

- (i) Additions of biological assets mainly due to oil palm new plantings of approximately 6,400 hectares and immature plantations of approximately 61,000 hectares;
- (ii) Capital expenditure relating to housing and infrastructure in plantations as well as expansion of milling capacities. These included the construction of a 150MT/day PKO plant in Riau in 1Q 2014 and a 45MT/hour new mill in East Kalimantan in 4Q 2014, the expansion of an existing mill in South Sumatra from 40MT/hour to 60MT/hour in 4Q 2014. During the year, the Group also started the construction works on two 45MT/hour new mills in Kalimantan with target completion in 2015;
- (iii) Recognition of higher deferred tax assets arising from tax losses carryforward of Rp0.2 trillion; and
- (iv) Higher advances and prepayments due to advances for property, plant and equipment.

Total current assets ended lower at Rp6.8 trillion as of end December 2014, down 2% from last year end of Rp6.9 trillion. The decline was mainly due to (i) higher inventories of Rp1.8 trillion compared to Rp1.6 trillion in the previous year end arising from higher CPO at plantation and edible oil stocks at refineries; and (ii) higher value-added taxes. However this was partly offset by lower trade and other receivables, as well as lower advances to suppliers relating to the purchase of raw materials and lower cash levels.

As of December 2014, the Group reported higher total liabilities of Rp16.4 trillion compared to last year end of Rp14.9 trillion. This was mainly attributable to (i) higher trade and other payables relating to purchases of raw materials; (ii) increase in bank facilities to fund the business operations; and (iii) higher estimated liabilities for employee benefits which was determined based on the actuarial calculations in accordance with the provisions of the Indonesian Labor Law. In December 2014, the main operating subsidiary of the Company, PT Salim Ivomas Pratama Tbk (SIMP) repaid its Rp730 billion bonds which was funded by a 3-year shareholder loan from the Company.

Review of Cash Flows

The Group generated positive net cash flows from operations of Rp2.8 trillion in FY2014. This, together with the cash flows from drawdowns of additional bank loans were used to fund (i) capital expenditure relating to additions of fixed assets, biological assets and advances for projects of Rp3.4 trillion during the year; (ii) dividends payment of Rp0.2 trillion; and (iii) purchase of treasury share of Rp0.2 trillion

On 24 November 2014, the Company granted a 3-year shareholder loan of Rp730 billion to SIMP to fund the repayment of its Rupiah bonds which due on 1 December 2014. As a result, the Company's cash levels declined from Rp1.7 trillion as of last year end to Rp0.9 trillion in December 2014.

The Group's cash levels declined slightly from Rp3.8 trillion as of last year end to Rp3.6 trillion in December 2014. The Group's net debts to total equity ratio increased from 0.22x as of last year end to 0.26x as of end December 2014.

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 global economic slowdown in major markets such as China and Europe, coupled with weak crude oil prices and higher soybean supplies from the US and South America, have put downward pressure on commodity prices. CPO prices (CIF Rotterdam) ended the year at US\$679 per tonne, against an average of US\$816 per tonne in 2014. This represented a 5% decline over 2013's average of US\$857. However, our achieved CPO prices in Indonesian Rupiah remained 14% higher than the previous year due to the weakening of the currency against the US dollar.

We expect demand for basic commodities like palm oil to remain strong, underpinned by growing consumer markets and a rising middleclass. Competition from other CPO producers as well as competing products like soybean will be intense, given the added impetus of lower demand for biodiesel with the fossil fuel price drop. Being a low cost producer remains the key strategic focus for the Group, given the volatility and uncertainty of future price movements.

Rubber prices (RSS3 SICOM) fell 30% in 2014 to an average of US\$1,957 per tonne, in contrast to an average US\$2,795 per tonne in 2013. This was due to higher rubber production in Thailand and Indonesia, as well as weaker demand from major rubber consuming markets, particularly China, the US and Europe, and more recently lower crude oil prices. The long-term outlook for rubber remains optimistic with healthy demand coming from tyre makers, automotive industries and rubber goods manufacturers in developing markets, especially China. However in the medium term prices will remain under pressure until global demand recovers.

Strong demand has kept Indonesia's sugar industry relatively robust, however domestic prices were lower in 2014 due to excessive imports in 2013. While the country remains a net importer of sugar, intervention efforts from the government are aimed at increasing the production capacity of local sugar factories, enhancing the productivity and yield of sugar cane, and encouraging the expansion of sugar cane plantations. This will take some time to deliver actual results.

Global sugar prices remain depressed in US\$ terms, due to high global stocks and a weakening Brazilian Real against the US\$. We expect global sugar prices to be strongly influenced by production levels in Brazil and India, together with Brazilian policies on ethanol, and the Brazilian Real. The Group will continue to evaluate potential acquisitions or joint ventures for operational and international growth.

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

(a) Current Financial Period Reported On

Any dividend recommended for the current financial year reported on? Yes.

The Directors have recommended to the Company to pay a first and final dividend in respect of the financial year ended 31 December 2014. The details of the dividend will be announced before the end of March 2015.

The payment of the dividend will be subject to the approval by shareholders at the forthcoming AGM to be convened in end April 2015.

(b) Corresponding Period of the Immediately Preceding Financial Year

Type of dividend: First and final dividend
 Dividend type: Cash
 Dividend per share: S\$0.0052

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

No applicable.

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations	Total
<u>Full Year 2014</u>				
<u>Revenue</u>				
External sales	5,149,364	9,813,363	-	14,962,727
Inter-segments sales	5,128,167	21,284	(5,149,451)	-
Total Revenue	10,277,531	9,834,647	(5,149,451)	14,962,727

<u>Results</u>				
Segment profit	2,487,954	100,667	58,175	2,646,796
Segment profit %	24.2%	1.0%	(1.1%)	17.7%
Foreign exchange loss				(110,531)
Net financial costs				(528,899)
Profit before tax				2,007,366
Income tax expense				(679,207)
Net profit for the year				1,328,159

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations	Total
<u>Full Year 2013</u>				
<u>Revenue</u>				
External sales	4,661,754	8,618,024	-	13,279,778
Inter-segments sales	3,788,488	9,069	(3,797,557)	-
Total Revenue	8,450,242	8,627,093	(3,797,557)	13,279,778

<u>Results</u>				
Segment profit	1,671,416	283,831	(62,446) **	1,892,801
Segment profit %	19.8%	3.3%	1.6%	14.3%
Foreign exchange loss				(200,642)
Net financial costs				(353,727)
Profit before tax				1,338,432
Income tax expense				(417,240)
Net profit for the year				921,192

** Others/eliminations include elimination adjustments for inter-division sales and purchases, net unrealised margins arising from inter-division sales and purchases and regional office's overhead costs.

Revenue by Geographical Market

	Group – Full Year				
	31/12/2014		31/12/2013		Change
	Rp' million	%	Rp' million	%	%
Indonesia	13,441,849	89.8	11,658,961	87.8	15.3
Asia	1,144,194	7.6	757,187	5.7	51.1
Europe	136,236	0.9	536,962	4.0	(74.6)
Africa, Middle East & Oceania	202,690	1.4	238,574	1.8	(15.0)
America	37,758	0.3	88,092	0.7	(57.1)
Total revenue	14,962,727	100.0	13,279,778	100.0	12.7

14. *In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.*

Please refer to Para 8 and 10 above.

15. *A breakdown of sales*

	Group – Full Year		
	2014 Rp 'million	2013 Rp 'million	% Increase / (Decrease)
(a) Sales reported for the first half year	7,168,555	6,454,605	11.1
(b) Profit after tax before deducting non-controlling interests for first half year	716,952	220,207	225.6
(c) Sales reported for second half year	7,794,172	6,825,173	14.2
(d) Profit after tax before deducting non-controlling interests reported for second half year	611,207	700,985	(12.8)

Notes:

Profit after tax before non-controlling interests, excluding fair value gain or loss on the biological assets:-

	Group – Full Year		
	2014 Rp 'million	2013 Rp 'million	% Increase / (Decrease)
(b) Profit after tax before deducting non-controlling interests for first half year	716,952	220,207	225.6
(d) Profit after tax before deducting non-controlling interests reported for second half year	566,513	654,825	(13.5)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full as follows:

Please refer to Para 11 above.

17. 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 Full Year 2014:

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"> • Rental Income • Sales of cooking oil, margarine and others • Purchase of goods and services 	<p>1</p> <p>3,448</p> <p>38</p>	<p>-</p> <p>-</p> <p>-</p>
Salim Group		
<ul style="list-style-type: none"> • Sales of cooking oil, seeds and material • Purchases of goods and services • Shareholder loans • Corporate guarantees 	<p>926</p> <p>924</p> <p>1,079</p> <p>3,197</p>	<p>-</p> <p>-</p> <p>57</p> <p>26</p>

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that no persons occupying managerial positions in the Company or any of its principal subsidiaries who are a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
 Chief Executive Officer and Executive Director

27 February 2015