



INDOFOOD AGRI RESOURCES Ltd.

Company Presentation – 3Q and 9M 2015 Results

29 Oct 2015

Presentation Outline

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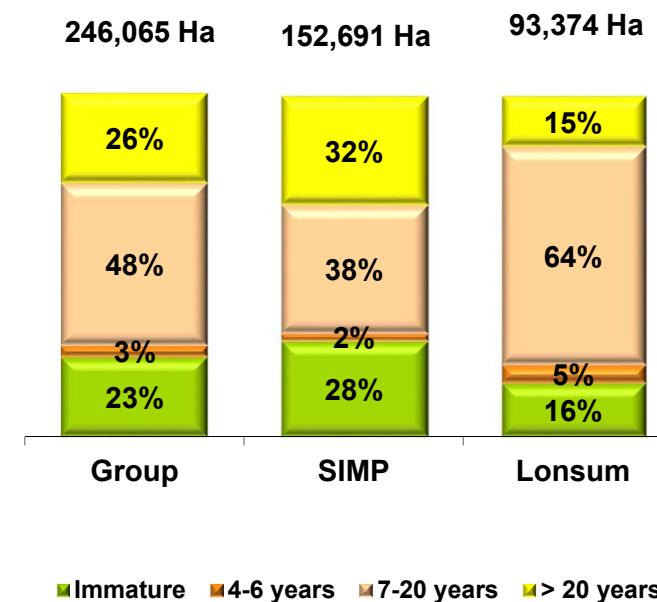


Section 1 Plantation Highlights

Planted Area

In Ha	30 Sep 2015	31 Dec 2014	Change
Indonesia			
Planted Area	299,418	300,050	(632)
Planted Oil Palm⁽¹⁾	246,065	246,055	10 ⁽²⁾
- SIMP	152,691	153,921	(1,229)
- Lonsum	93,374	92,135	1,239
Planted Other crops	53,354	53,995	(641)
Rubber	21,172	21,697	(525)
- SIMP	4,409	4,409	-
- Lonsum	16,763	17,288	(525)
Sugar cane - SIMP	12,761	13,062	(301) ⁽³⁾
Industrial timber - SIMP	16,162	16,169	(7)
Others - SIMP & Lonsum ⁽⁴⁾	3,259	3,067	192
Brazil			
Sugar cane - CMAA	52,790	47,554	5,236
- Company-owned	25,529	24,292	1,237
- Third party	27,261	23,262	3,999

Oil Palm Average Age ≈ 14 years



(1) As at 30 Sep 2015, the Group has ≈ 86,841 Ha of planted oil palm plasma area. Where 749 Ha were new planting in 9M15.

(2) 9M15 oil palm new plantings were 1,178 Ha vs. 4,031 Ha in 9M14. Mature area increased by 5,722 Ha in 9M15.

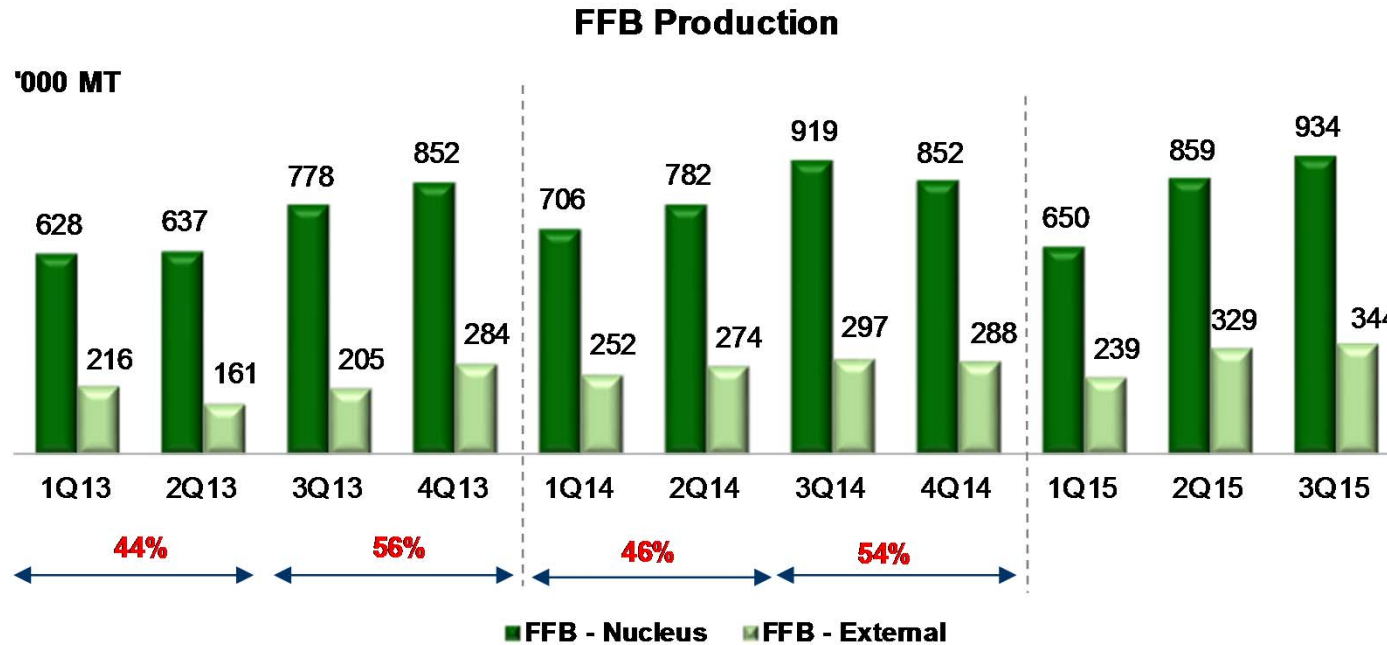
(3) Land under preparation for cane planting 988 Ha.

(4) Mainly cocoa and tea

Oil Palm Plantation Highlights

		9M15	9M14	YoY Growth	3Q15	3Q14	YoY Growth	2Q15	QoQ Growth	FY14
PRODUCTION										
Mature Area	(Ha)	188,423	185,187	2%	188,423	185,187	2%	188,448	(0%)	185,181
FFB	('000 MT)	3,355	3,231	4%	1,278	1,216	5%	1,188	8%	4,372
- Nucleus	('000 MT)	2,443	2,407	2%	934	919	2%	859	9%	3,259
- External	('000 MT)	912	824	11%	344	297	16%	329	5%	1,112
CPO	('000 MT)	719	707	2%	275	264	4%	254	8%	956
PK, PKO, PKE	('000 MT)	197	173	14%	74	66	12%	71	4%	241
PRODUCTIVITY										
FFB Yield – Nucleus	(MT/Ha)	13.0	13.0	↔	5.0	5.0	↔	4.6	↑	17.6
CPO Yield – Nucleus	(MT/Ha)	2.9	2.9	↔	1.1	1.1	↔	1.0	↑	3.9
CPO Extraction Rate	(%)	22.2	22.3	↓	22.1	22.1	↔	22.2	↓	22.4
PK Extraction Rate	(%)	5.2	5.0	↑	5.2	5.0	↑	5.2	↔	5.1

Oil Palm Production Trends



Growth

FFB - Nucleus

9M15 YoY : 2%

3Q15 YoY : 2%

3Q15 QoQ : 9%

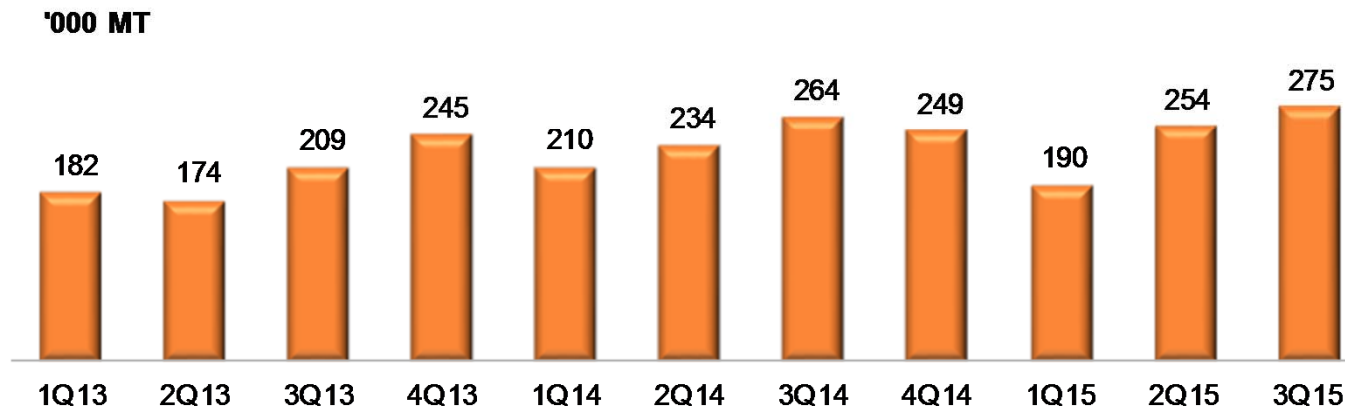
FFB - External

9M15 YoY : 11%

3Q15 YoY : 16%

3Q15 QoQ : 5%

CPO Production



CPO

9M15 YoY : 2%

3Q15 YoY : 4%

3Q15 QoQ : 8%

Sugar Plantation Highlights

INDONESIA	9M15	9M14	YoY Growth	3Q15	3Q14	YoY Growth	FY14
Planted Area (Ha)	12,761	12,829	(1%)	12,761	12,829	(1%)	13,062
Sugar Cane Harvested ('000 MT) ⁽¹⁾	715	701	2%	418	332	26%	701
Sugar Production ('000 MT)	64	63	2%	44	33	33%	66
- South Sumatra Plantation	55	54	3%	37	25	47%	54
- Java (LPI's share)	9	10	(5%)	7	8	(14%)	13

BRAZIL	Apr 15- Sep 15	Apr 14- Sep 14	YoY Growth	Apr 14- Mar 15
Planted Area (Ha) ⁽²⁾	52,790	47,714	11%	47,554
Sugar Cane Harvested ('000 MT)	2,936	2,781	6%	3,511
Raw Sugar Production ('000 MT)	183	170	7%	224
Ethanol ('000 M ³)	114	111	2%	145

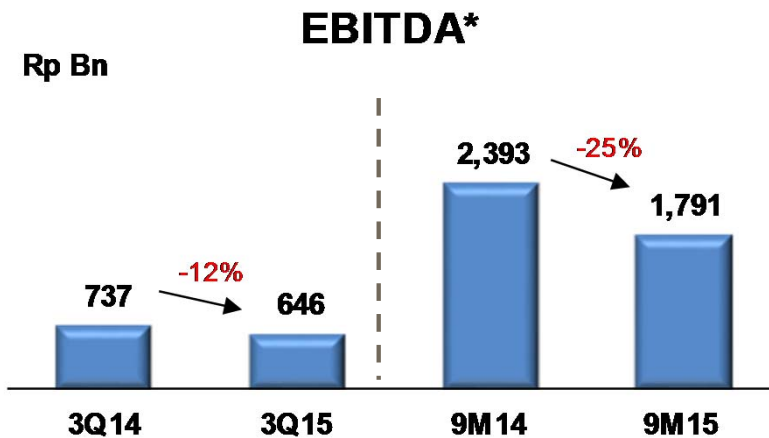
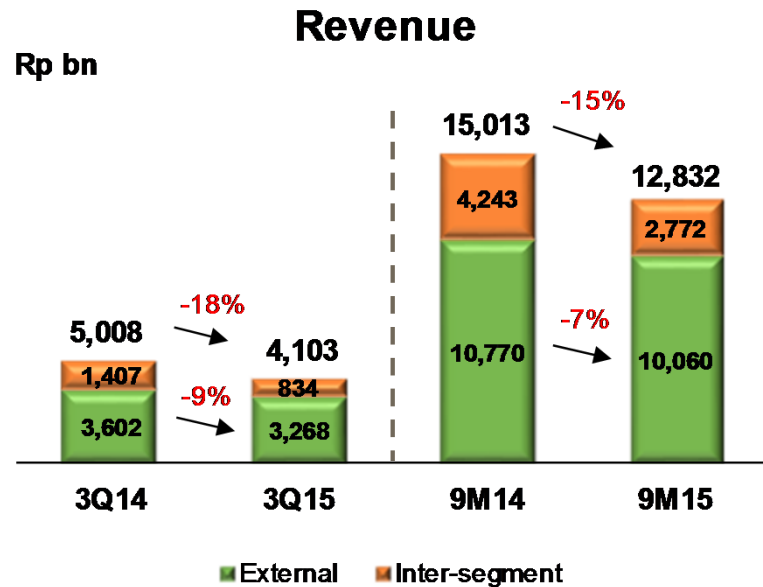
(1) Harvested cane related to Komering sugar cane plantation

(2) Of the 52,790 Ha planted sugar cane, 49% owned by CMAA and 51% contracted 3rd party farmers



Section 2 Financial Highlights

Results Summary



* EBITDA excluding biological asset gains/(losses) and forex gains/(losses)

Financial Highlights

- Our results were affected negatively by soft commodity prices and a weakened Indonesian Rupiah
- Revenue down 9% and 7% yoy in 3Q15 and 9M15 on lower contribution from the EOF Division, partially offset by higher external sales from the Plantation Division.
- EBITDA down 12% and 25% yoy in 3Q15 and 9M15 on lower commodity prices and higher share of losses in CMAA
- We incurred forex losses of Rp322 billion in 3Q15 and Rp482 billion in 9M15 due to weakening of Rupiah. Excluding the forex impacts, core profit would have been down 49% and 60% yoy in 3Q15 and 9M15.

Operational Highlights

- Achieved positive production growth
- 9M15 FFB nucleus production at 2,443,000 tonnes, up 2% yoy. 3Q15 production up 9% qoq as we enter into peak production season in 2H15
- In line with this, CPO production came in 2% yoy at 719,000 tonnes

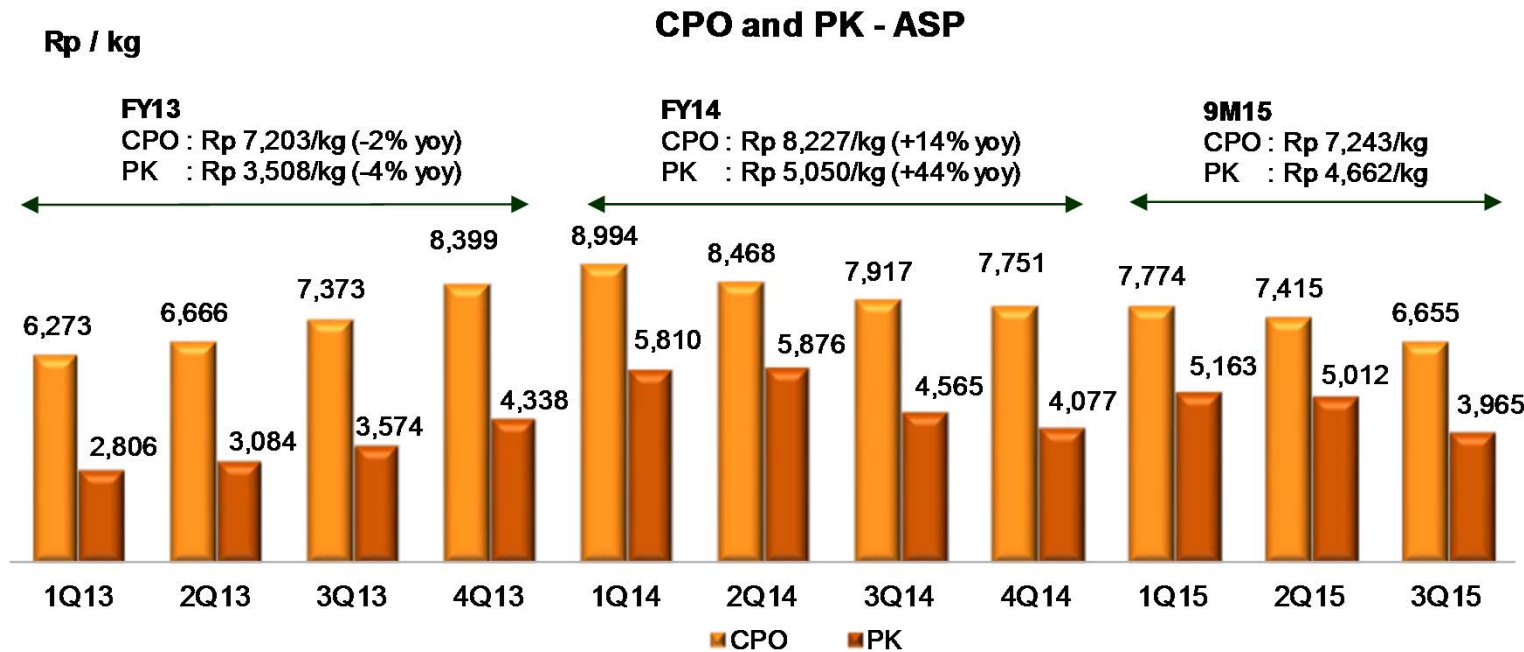
Sales Volume

In '000 MT	9M15	9M14	YoY Growth	3Q15	3Q14	YoY Growth	2Q15	QoQ Growth	FY14
Plantation									
CPO*	673	669	1%	239	246	(3%)	249	(4%)	957
PK, PKO, PKE	161	157	2%	59	60	(2%)	58	0%	215
Sugar	43	57	(25%)	27	33	(19%)	11	150%	73
Rubber	12.3	11.6	6%	3.7	3.6	3%	4.3	(13%)	16.0
Oil Palm Seeds ('million)	7.3	5.9	22%	2.7	2.6	3%	2.5	5%	9.2

- Sales volume for CPO and palm kernel related products were lower than production levels due to timing of sales, which are expected to be realized in 4Q15.
- Lower sugar sales in 9M15 due to timing of sales
- Sales volume of oil palm seeds showed an improvement on stronger demand over last year

* Before elimination of inter-segment sales

Average Selling Price (ASP) Trend



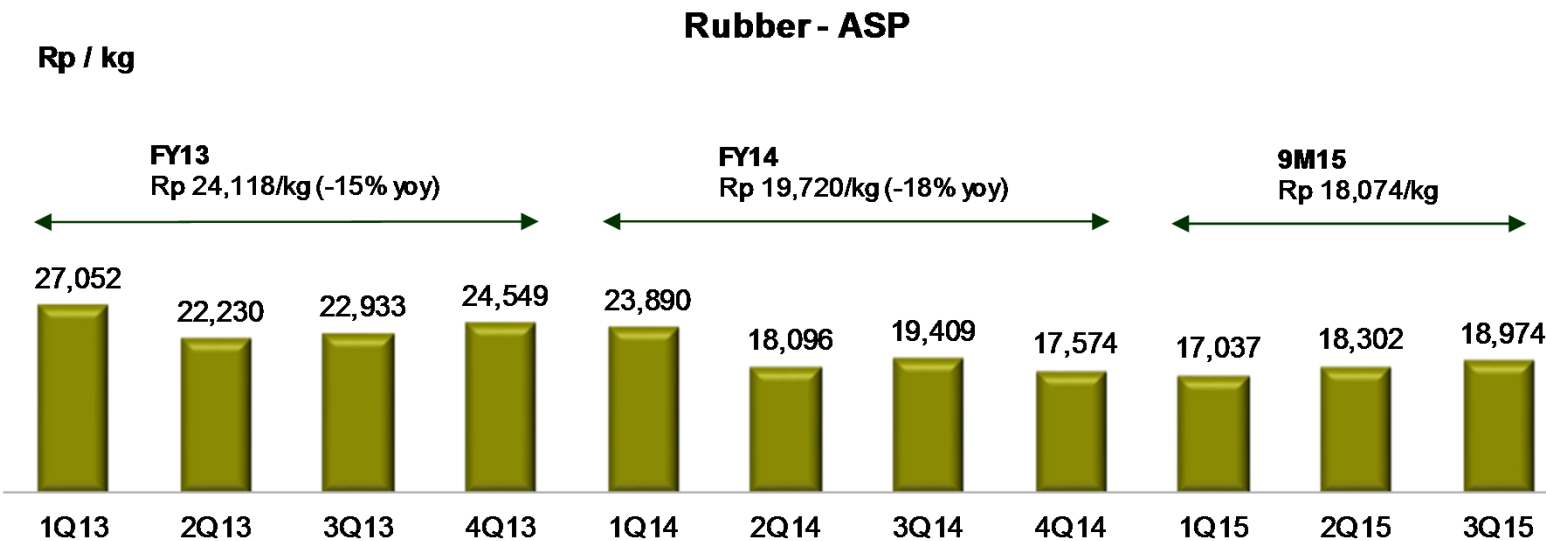
Growth

CPO

9M15 YoY : (14%)
3Q15 YoY : (16%)
3Q15 QoQ : (10%)

PK

9M15 YoY : (13%)
3Q15 YoY : (13%)
3Q15 QoQ : (21%)



Rubber

9M15 YoY : (12%)
3Q15 YoY : (2%)
3Q15 QoQ : 4%

Financial Summary

In Rp Bn	9M15	9M14	YoY Growth	3Q15	3Q14	YoY Growth	2Q15	QoQ Growth	FY14
Sales	10,060	10,770	(7%)	3,268	3,602	(9%)	4,133	(21%)	14,963
EBITDA ⁽¹⁾	1,791	2,393	(25%)	646	737	(12%)	593	9%	3,401
Operating profit ⁽²⁾	581	1,696	(66%)	36	424	(91%)	292	(88%)	2,536
Net profit	(12)	924	n/m	(138)	207	n/m	59	n/m	1,328
Core profit (excl. forex) ⁽³⁾	387	972	(60%)	129	253	(49%)	95	35%	1,418
Attributable profit	(117)	533	n/m	(154)	125	n/m	2	n/m	759
EPS (fully diluted) - Rp	(83)	376	n/m	(110)	88	n/m	1	n/m	535
EBITDA margin	18%	22%	↓	20%	20%	↔	14%	↑	23%
Operating profit margin	6%	16%	↓	1%	12%	↓	7%	↓	17%
Net profit margin	0%	9%	↓	-4%	6%	↓	1%	↓	9%
Attributable profit margin	-1%	5%	↓	-5%	3%	↓	0%	↓	5%

- Our results affected negatively by soft commodity prices and a weakened Indonesian Rupiah
- EBITDA down 12% and 25% yoy in 3Q15 and 9M15 on lower commodity prices and higher losses of our sugar operation in Brazil
- We incurred forex losses of Rp322 billion in 3Q15 and Rp482 billion in 9M15 due to weakening of Rupiah. Excluding the forex impacts, core net profit would have been down 49% and 60% yoy in 3Q15 and 9M15.

(1) EBITDA excluding biological asset gains/(losses) and forex gains/(losses)

(2) Operating profit excluding biological asset gains/(losses)

(3) Net profit after tax less forex exchange losses net of tax effect

Segmental Results

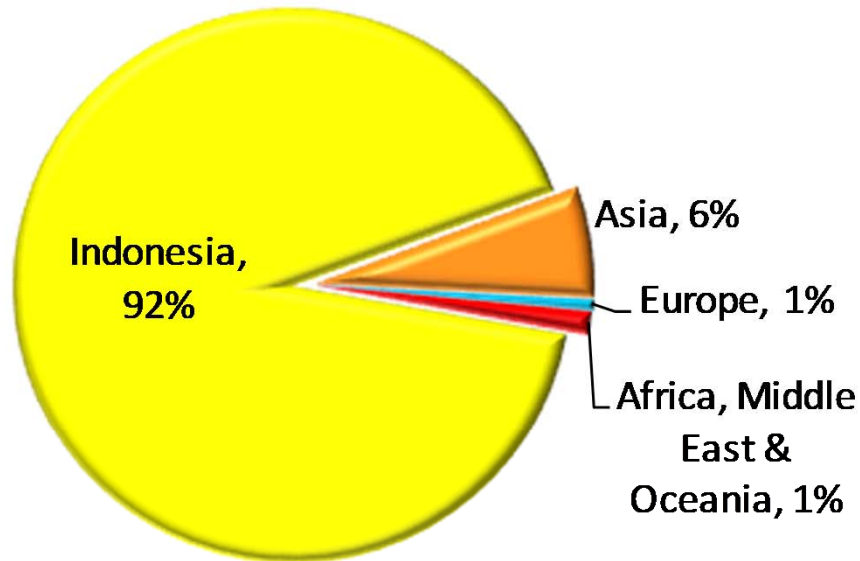
In Rp Bn	9M15	9M14	YoY Growth	3Q15	3Q14	YoY Growth	2Q15	QoQ Growth	FY14
Sales									
Plantations	6,589	7,445	(11%)	2,291	2,680	(15%)	2,452	(7%)	10,278
Edible Oil & Fats	6,243	7,568	(18%)	1,812	2,329	(22%)	2,579	(30%)	9,835
Elimination & Adjustments	(2,772)	(4,243)	(35%)	(834)	(1,407)	(41%)	(899)	(7%)	(5,149)
Total	10,060	10,770	(7%)	3,268	3,602	(9%)	4,133	(21%)	14,963
EBITDA									
Plantations	1,769	2,406	(26%)	700	835	(16%)	584	20%	3,212
<i>EBITDA %</i>	27%	32%		31%	31%		24%		31%
Edible Oil & Fats	254	133	92%	51	44	18%	110	(53%)	200
<i>EBITDA %</i>	4%	2%		3%	2%		4%		2%
Share of results of associate companies & JV	(196)	(42)	n/m	(64)	24	n/m	(106)	(39%)	(121)
Elimination & Adjustments ⁽¹⁾	(36)	(104)	n/m	(41)	(166)	(75%)	5	n/m	110
Sub-total	1,791	2,393	(25%)	646	737	(12%)	593	9%	3,401
Net Forex Gains/(Losses)	(482)	(61)	n/m	(322)	(55)	n/m	(44)	n/m	(111)
Total	1,309	2,332	(44%)	324	682	(53%)	550	(41%)	3,290

(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment and regional office costs.

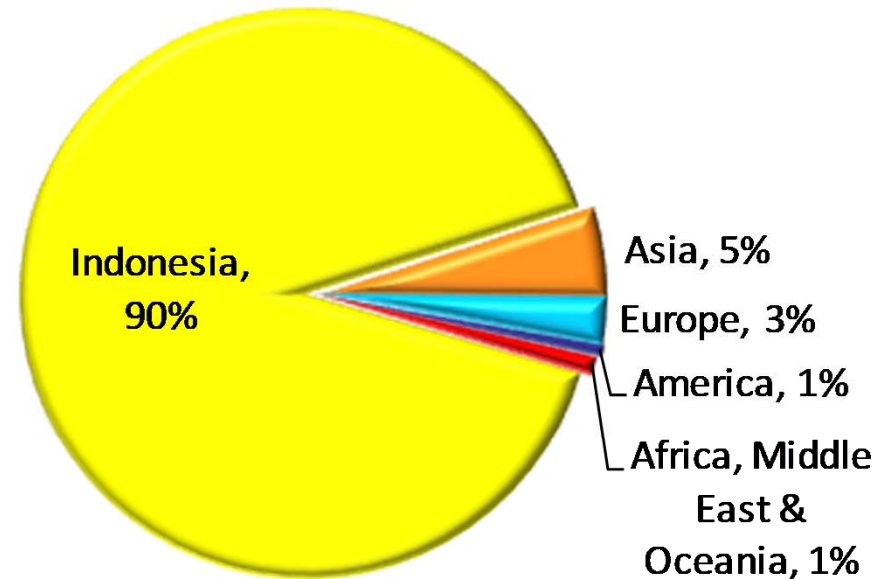
External Revenue Breakdown

By Geographical Location

9M15



9M14



- Indonesia remained our dominant market with 92% of sales derived from the domestic market, mainly comprised of edible oil product, palm product, palm seeds and sugar

Financial Position

Balance Sheet (In Rp Bn)	30-Sep-15	31-Dec-14
TOTAL ASSETS	41,198	40,155
Cash	1,944	3,586
TOTAL LIABILITIES	17,294	16,437
Interest Bearing Debt	10,372	9,817
TOTAL EQUITY*	23,904	23,717
Net Debt / EBITDA Ratio (Annualised)	3.53x	1.83x
Net Debt / Total Equity Ratio	0.35x	0.26x
Net Assets Value per Share (in Rupiah)	10,198	10,322
Net Assets Value per Share (in SGD) **	0.99	1.10

Cash Flow (In Rp Bn)	9M15	9M14
Net Cash Flow generated from Operating Activities	913	1,570
Net Cash Flow used in Investing Activities	(2,715)	(2,758)
Net Cash Flow generated from Financing Activities	66	1,198
Net (Decrease)/Increase in Cash & Cash Equivalentents	(1,736)	10
Net Effect of Changes in Forex	95	2
Sub-total	(1,642)	12
Cash & Cash Equivalent - Beginning	3,586	3,803
Cash & Cash Equivalent - Ending	1,944	3,815

* Total equity includes shareholders funds and minority interests

** Converted at Rp10,274/S\$1



Section 3 Strategies and Expansion

2015 – Strategies and Expansion

Prioritise capex on organic growth and expansion of production facilities.

- Focus organic expansion on new plantings of oil palm in Indonesia and sugar plantations in Indonesia and Brazil
- Expansion of plantation production facilities
 - ❑ Completed one 45MT/hour new mill and expanded one mill from 60MT to 80MT/hour in Kalimantan
 - ❑ Three new mills, ranging from 30MT to 45MT/hour, of which one new mill in South Sumatra and two mills in Kalimantan. Two of these mills are expected to be completed in 2016
- Expansion of downstream facilities
 - ❑ Expansion of Surabaya refinery by 1,000MT/day, expected completion in 2017
 - ❑ Completed a 200MT/day margarine plant at Tanjung Priok in 3Q 2015



Section 4 Appendix

Production Breakdown

		9M15	9M14	YoY Growth	3Q15	3Q14	YoY Growth	2Q15	QoQ Growth	FY14
PRODUCTION										
Mature Area		188,423	185,187	2%	188,423	185,187	2%	188,448	(0%)	185,181
- SIMP	(Ha)	109,767	108,529	1%	109,767	108,529	1%	109,758	0%	108,529
- Lonsum	(Ha)	78,656	76,658	3%	78,656	76,658	3%	78,691	(0%)	76,652
FFB		3,355	3,231	4%	1,278	1,216	5%	1,188	8%	4,372
- Nucleus		2,443	2,407	2%	934	919	2%	859	9%	3,259
- SIMP	('000 MT)	1,445	1,397	3%	552	560	(1%)	503	10%	1,918
- Lonsum	('000 MT)	998	1,010	(1%)	382	359	6%	356	7%	1,341
- External		912	824	11%	344	297	16%	329	5%	1,112
- SIMP	('000 MT)	460	415	11%	176	144	22%	159	11%	567
- Lonsum	('000 MT)	500	419	19%	176	155	13%	190	(7%)	567
CPO		719	707	2%	275	264	4%	254	8%	956
- SIMP	('000 MT)	374	377	(1%)	147	145	1%	128	15%	513
- Lonsum	('000 MT)	345	331	4%	128	119	8%	126	1%	443
PK, PKO, PKE*		197	173	14%	74	66	12%	71	4%	241
- SIMP	('000 MT)	110	92	19%	41	36	13%	39	5%	131
- Lonsum	('000 MT)	88	81	8%	33	29	14%	32	6%	109
PRODUCTIVITY										
FFB Yield – Nucleus	(MT/Ha)	13.0	13.0	↔	5.0	5.0	↔	4.6	↑	17.6
- SIMP	(MT/Ha)	13.2	12.9	↑	5.0	5.2	↓	4.6	↑	17.7
- Lonsum	(MT/Ha)	12.7	13.2	↓	4.9	4.7	↑	4.5	↑	17.5
CPO Yield – Nucleus	(MT/Ha)	2.9	2.9	↔	1.1	1.1	↔	1.0	↑	3.9
- SIMP	(MT/Ha)	2.8	2.8	↔	1.1	1.1	↔	1.0	↑	3.8
- Lonsum	(MT/Ha)	3.0	3.1	↓	1.1	1.1	↔	1.1	↔	4.1
CPO Extraction Rate	(%)	22.2	22.3	↓	22.1	22.1	↔	22.2	↓	22.4
- SIMP	(%)	21.4	21.7	↓	21.5	21.4	↑	21.3	↑	21.7
- Lonsum	(%)	23.1	23.1	↔	22.9	23.0	↓	23.1	↓	23.2
PK Extraction Rate	(%)	5.2	5.0	↑	5.2	5.0	↑	5.2	↔	5.1
- SIMP	(%)	4.5	4.5	↔	4.5	4.5	↔	4.6	↓	4.6
- Lonsum	(%)	5.9	5.7	↑	6.0	5.7	↑	5.8	↑	5.7

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