

IND@FOOD AGRI RESOURCES Ltd.

Company Presentation

1Q 2016 Results

28 April 2016



a subsidiary of:

Presentation Outline

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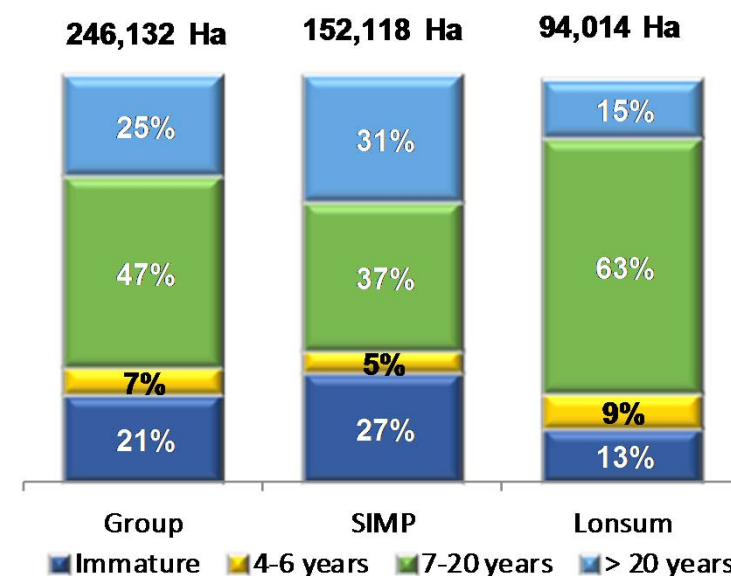
Plantation Highlights



Planted Area

In Ha	31 Mar 2016	31 Dec 2015	Change
Indonesia			
Planted Area	300,708	300,633	75
Planted Oil Palm⁽¹⁾	246,132	246,359	(227) ⁽²⁾
- SIMP	152,118	152,340	(222)
- Lonsum	94,014	94,019	(5)
Planted Other crops	54,576	54,274	302
Rubber	21,338	21,338	-
- SIMP	4,409	4,409	-
- Lonsum	16,929	16,929	-
Sugar cane - SIMP	13,555	13,358	197
Others - timber, cocoa, tea	19,683	19,578	105
Brazil			
Sugar cane - CMAA	49,717	52,843	(3,126) ⁽³⁾
- Company-owned	25,343	25,567	(224)
- Third party	24,374	27,276	(2,902)

Oil Palm Average Age ≈ 14 years



(1) As at 31 Mar 2016, the Group has ≈ 87,158 Ha of planted oil palm plasma area. Where 120 Ha were new planting in 1Q16.

(2) 1Q16 oil palm new plantings were 135 Ha vs. 417 Ha in 1Q15. Mature area increased by 6,498 Ha in 1Q16.

(3) Reduction was mainly due to replanting in progress

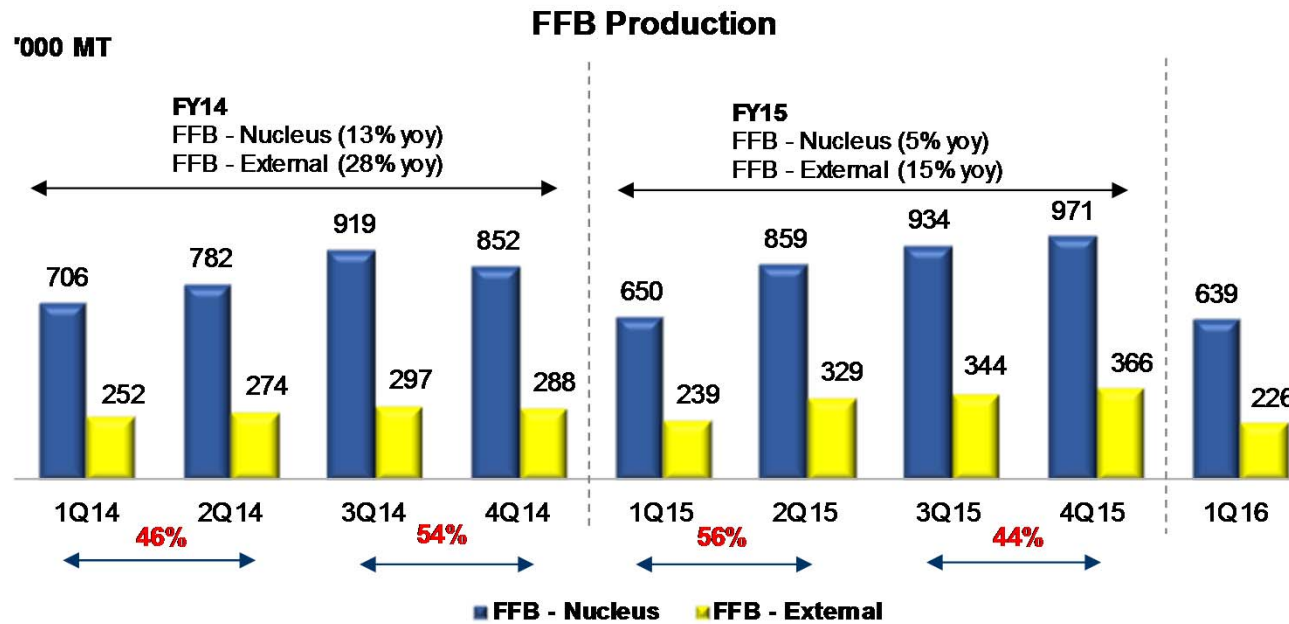
Oil Palm Plantation Highlights

		1Q16	1Q15	YoY Growth
PRODUCTION				
Mature Area	(Ha)	193,496	187,960	3%
FFB	('000 MT)	865	889	(3%)
- Nucleus	('000 MT)	639	650	(2%)
- External	('000 MT)	226	239	(5%)
CPO	('000 MT)	186	190	(2%)
PK	('000 MT)	44	44	(1%)
PKO, PKE	('000 MT)	11	8	44%

PRODUCTIVITY

FFB Yield – Nucleus	(MT/Ha)	3.3	3.5	↓
CPO Yield – Nucleus	(MT/Ha)	0.7	0.8	↓
CPO Extraction Rate	(%)	22.5	22.3	↑
PK Extraction Rate	(%)	5.3	5.2	↑

Oil Palm Production Trends



Growth

FFB - Nucleus

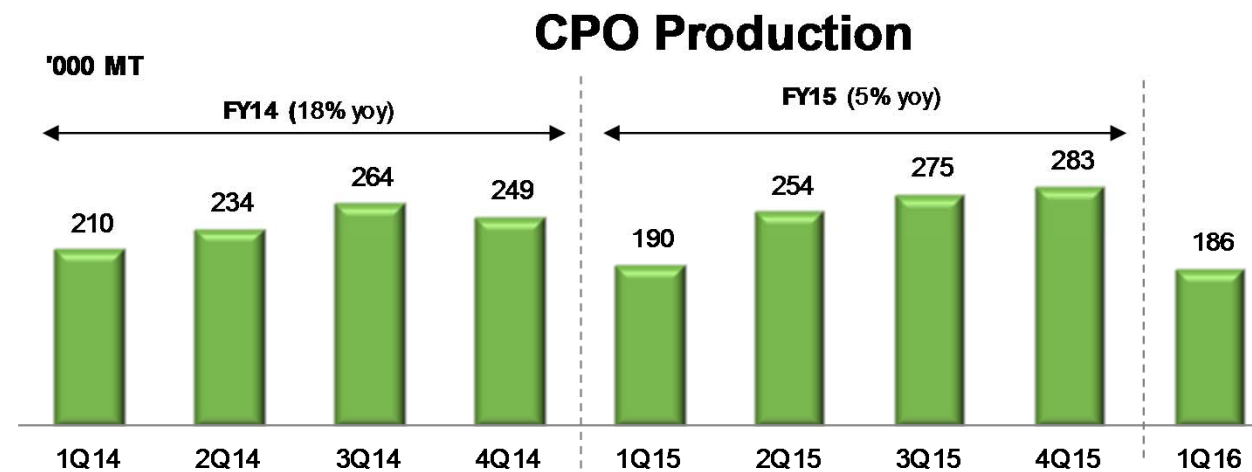
1Q16 YoY : (2%)

1Q16 QoQ : (34%)

FFB - External

1Q16 YoY : (5%)

1Q16 QoQ : (38%)

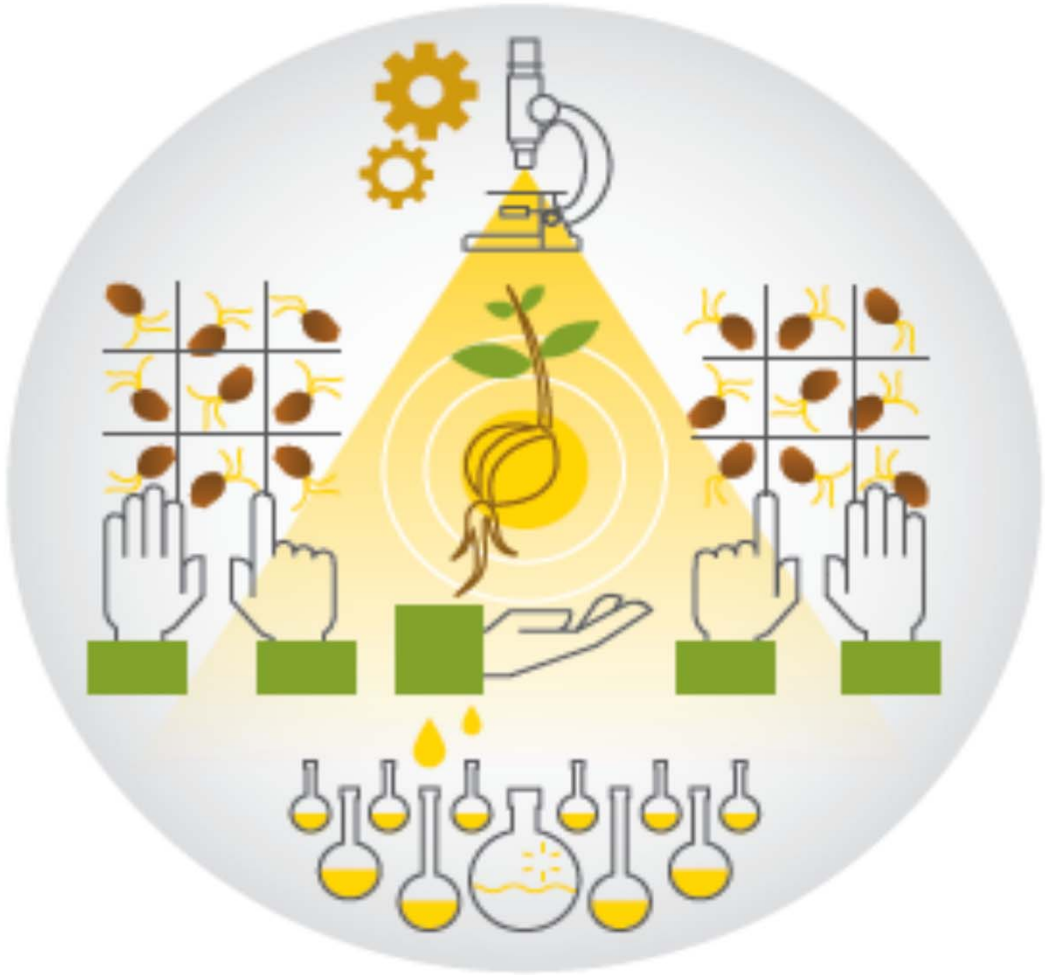


CPO

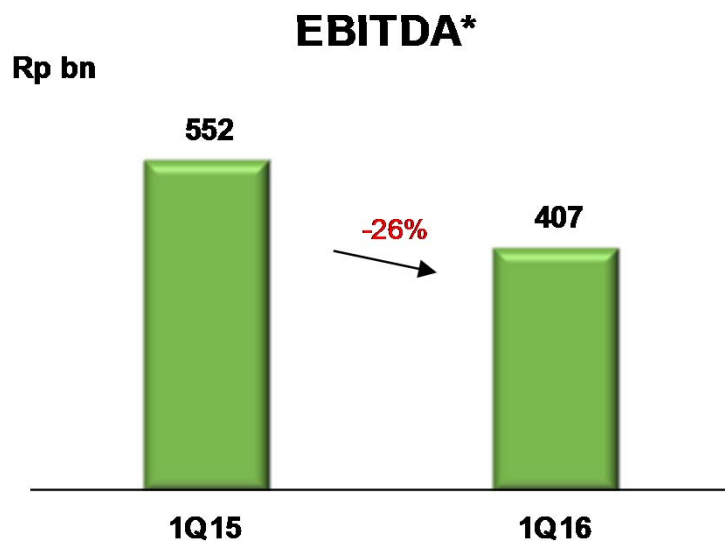
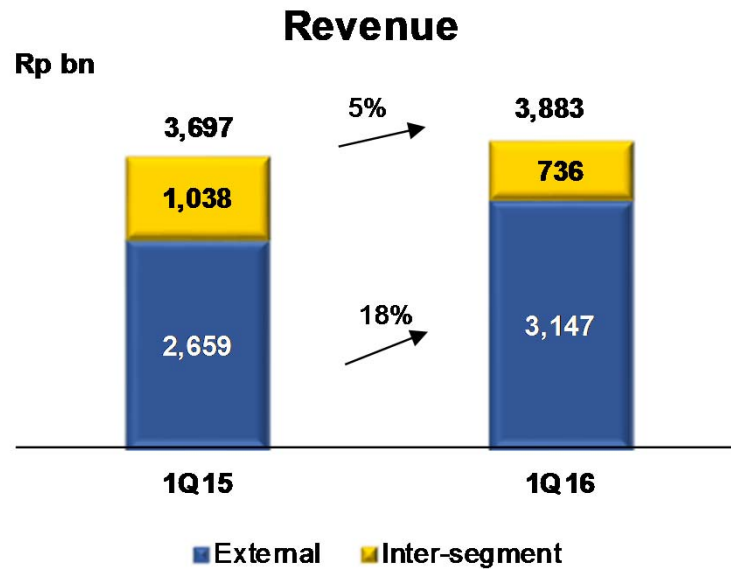
1Q16 YoY : (2%)

1Q16 QoQ : (34%)

Financial Highlights



Results Summary



* Earnings before accounting for the effects of foreign exchange and changes in the fair value of biological assets

Financial Highlights

- Despite lower commodity prices, the Group achieved a positive 1Q16 result with higher revenue.
- Revenue up 18% yoy in 1Q16 on higher CPO sales volume and higher sales achieved by the Edible Oils & Fat (EOF) Division.
- EBITDA down 26% yoy mainly due to lower gross profit and higher operating expenses.
- Attributable profit improved from Rp4 billion in 1Q15 to Rp95 billion in 1Q16 mainly on stronger contribution from the EOF Division and foreign currency gains.

Operational Highlights

- Achieved lower production in 1Q16 mainly due to the effects of the prolonged drought in the second half of 2015.
- 1Q16 FFB nucleus and CPO production decreasing 2% yoy to 639,000 tonnes and 186,000 tonnes, respectively.

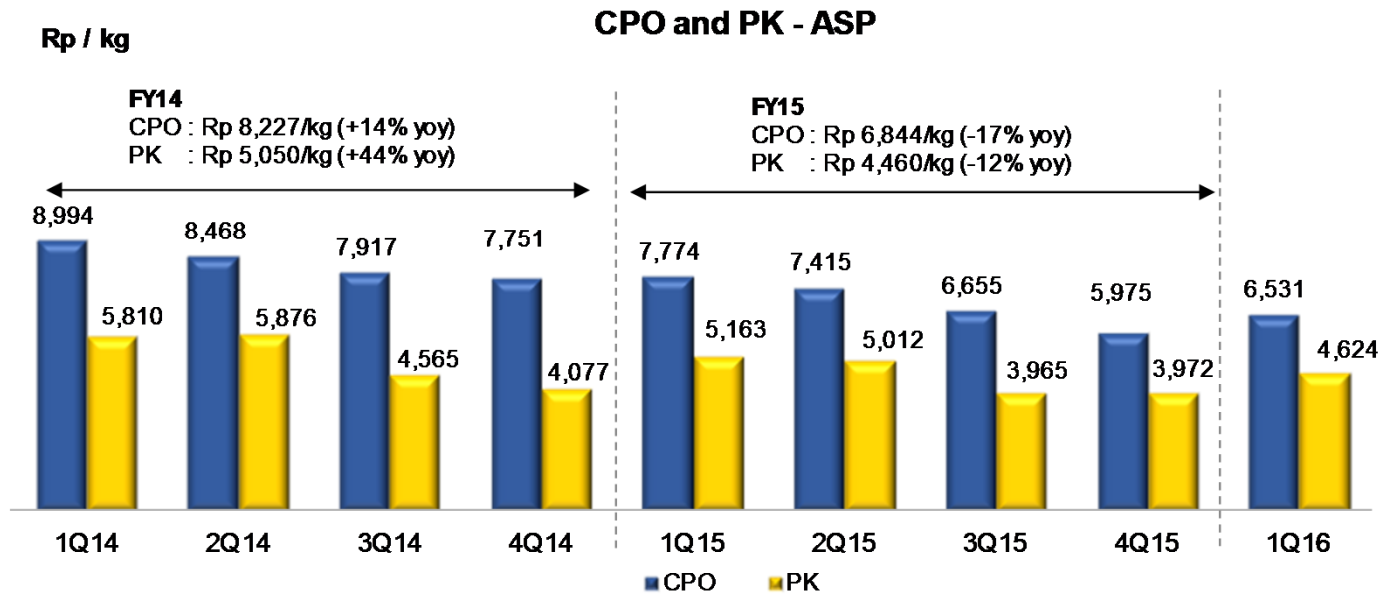
Sales Volume

In '000 MT	1Q16	1Q15	YoY Growth
Plantation			
CPO*	215	184	17%
PK, PKO, PKE	46	44	5%
Sugar	5	5	0%
Rubber	3.0	4.2	(28%)
Oil Palm Seeds ('million)	2.4	2.3	8%

- Despite lower production in 1Q16, the Group achieved higher sales volume of CPO due to realisation of stock from last year end.
- Sales volume of rubber were lower yoy partly due to some replanting and conversion of some areas into oil palm.

* Before elimination of inter-segment sales

Average Selling Price (ASP) Trend



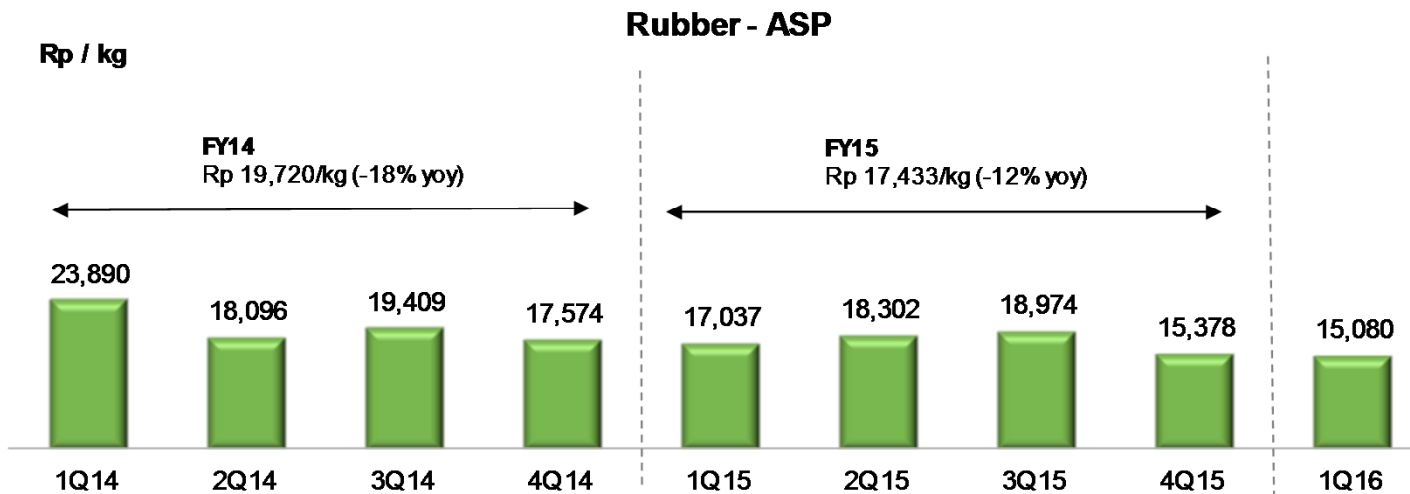
Growth

CPO

1Q16 YoY : (16%)
1Q16 QoQ : 9%

PK

1Q16 YoY : (10%)
1Q16 QoQ : 16%



Rubber

1Q16 YoY : (11%)
1Q16 QoQ : (2%)

Financial Summary

In Rp Bn	1Q16	1Q15	YoY Growth
Sales	3,147	2,659	18%
EBITDA ⁽¹⁾	407	552	(26%)
Operating profit ⁽²⁾	309	173	78%
Gain (loss) arising from changes in FV of biological assets	84	15	456%
Net profit after tax	96	8	n/m
Core net (loss) / profit ⁽¹⁾	(68)	93	(174%)
Attributable profit	95	4	n/m
EPS (fully diluted) - Rp	68	3	n/m
EBITDA margin	13%	21%	↓
Operating profit margin	10%	7%	↑
Net profit margin	3%	0%	↑
Attributable profit margin	3%	0%	↑

⁽¹⁾ Earnings before accounting for the effects of foreign exchange and changes in the fair value of biological asset

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

Segmental Results

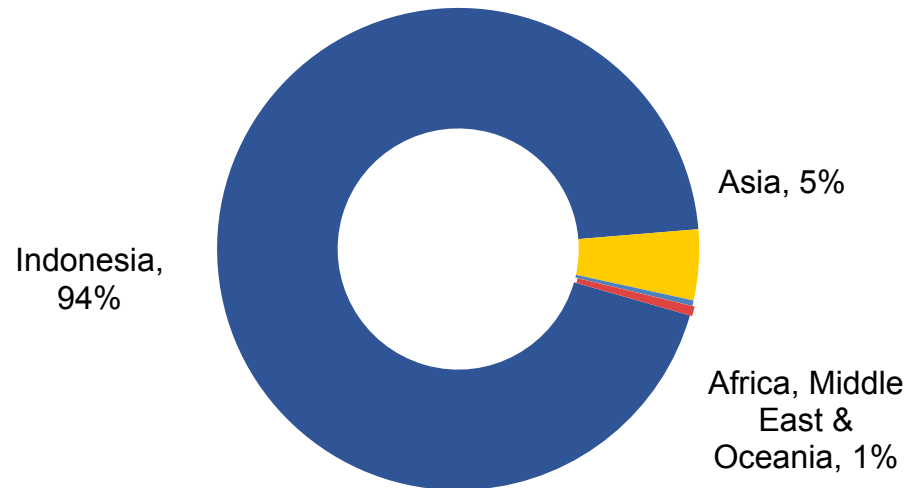
In Rp Bn	1Q16	1Q15	YoY Growth
<u>Sales</u>			
Plantations	1,803	1,846	(2%)
Edible Oil & Fats	2,080	1,852	12%
Elimination & Adjustments	(736)	(1,038)	(29%)
Total	3,147	2,659	18%
<u>EBITDA</u>			
Plantations	341	487	(30%)
<i>EBITDA %</i>	19%	26%	
Edible Oil & Fats	155	93	67%
<i>EBITDA %</i>	7%	5%	
Share of results of associate companies & JV	(53)	(25)	112%
Elimination & Adjustments ⁽¹⁾	(36)	(3)	n/m
Sub-total	408	552	(26%)
Net Forex Gains/(Losses)	121	(116)	n/m
Total	528	436	21%

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

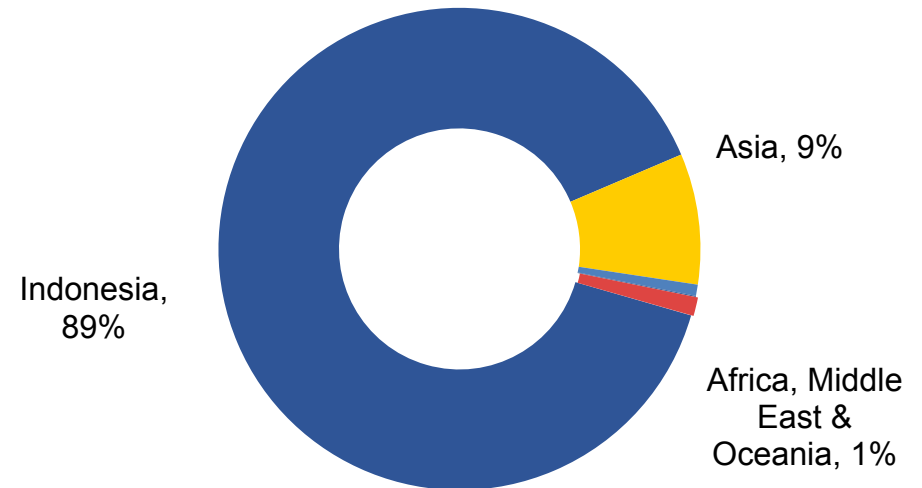
External Revenue Breakdown

By Geographical Location

1Q16



1Q15



- Indonesia remained our dominant market with 94% 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)	31-Mar-16	31-Dec-15 (Restated)	31-Dec-15 (As Stated)
TOTAL ASSETS	36,831	36,441	40,720
Cash	2,028	1,969	1,969
TOTAL LIABILITIES	15,811	15,530	16,474
Interest Bearing Debt	10,225	10,141	10,141
TOTAL EQUITY*	21,020	20,911	24,246
Net Debt / EBITDA Ratio (Annualised)	5.04x	3.27x	3.27x
Net Debt / Total Equity Ratio	0.39x	0.39x	0.34x
Net Assets Value per Share (in Rupiah)	8,804	8,729	10,302
Net Assets Value per Share (in SGD) **	0.90	0.89	1.05

Cash Flow (In Rp Bn)	1Q16	1Q15
Net Cash Flow generated from Operating Activities	270	(25)
Net Cash Flow used in Investing Activities	(532)	(1,052)
Net Cash Flow generated from Financing Activities	340	(43)
Net Increase/ (Decrease) in Cash & Cash Equivalents	78	(1,120)
Effect of changes in exchange rates on Cash & Cash Equivalents	(19)	24
Cash & Cash Equivalent - Beginning	1,969	3,586
Cash & Cash Equivalent - Ending	2,028	2,489

* Total equity includes shareholders funds and minority interests

** Converted at Rp9,830/S\$1

Strategies and Expansion















Key Strategies in 2016

- Prioritising capex on immature plantings and the expansion of milling facilities for organic growth
- Building 3 new mills:
 - ❑ 30MT FFB/ hour in South Sumatra and 45MT FFB/ hour in Kalimantan, target for completion in 2016
 - ❑ 45MT FFB/ hour in Kalimantan completion in 2017
- Expanding 2 mills in Kalimantan
 - ❑ FFB production capacity will increase from 6.4m to 7.1m MT FFB/year by end of 2016
- Commence replanting of older palms in North Sumatra and Riau
- Expansion of Surabaya refinery by 1,000 MT/day, expected completion in 2017 to cater for increasing demand for cooking oil and margarine brands
- Focus on maximizing productivity, tighten control of costs and continually monitoring supply chain to improve efficiencies

Appendix

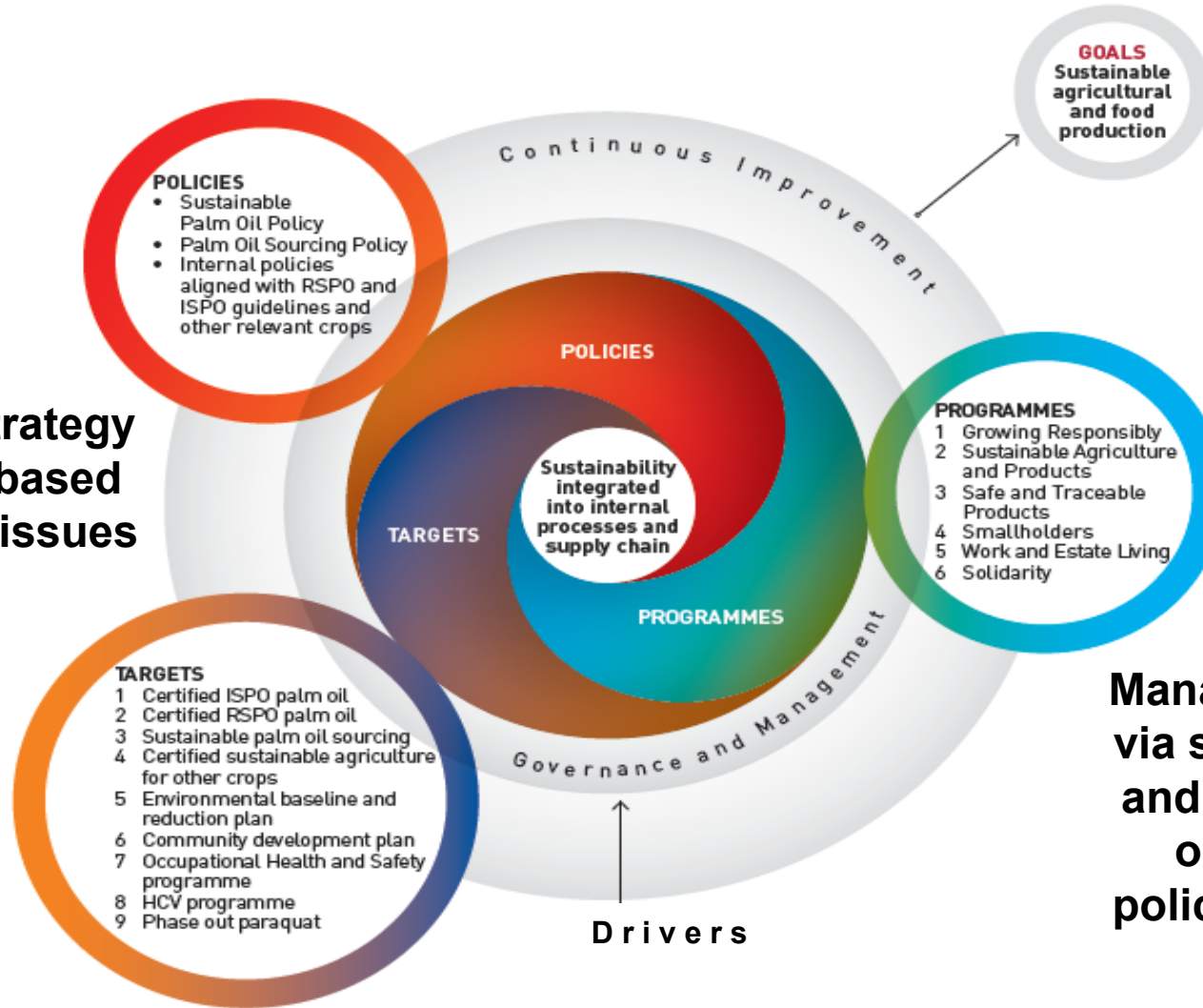


Production Breakdown

		1Q16	1Q15	YoY Growth
PRODUCTION				
Mature Area		193,496	187,960	3%
- SIMP	(Ha)	111,734	109,083	2%
- Lonsum	(Ha)	81,761	78,877	4%
FFB		865	889	(3%)
- Nucleus		639	650	(2%)
- SIMP	('000 MT)	392	389	1%
- Lonsum	('000 MT)	247	261	(5%)
- External		226	239	(5%)
- SIMP	('000 MT)	125	125	0%
- Lonsum	('000 MT)	113	133	(15%)
CPO		186	190	(2%)
- SIMP	('000 MT)	103	99	4%
- Lonsum	('000 MT)	83	91	(9%)
PK		44	44	(1%)
- SIMP	('000 MT)	22	21	5%
- Lonsum	('000 MT)	21	23	(6%)
PRODUCTIVITY				
FFB Yield – Nucleus	(MT/Ha)	3.3	3.5	
- SIMP	(MT/Ha)	3.5	3.6	
- Lonsum	(MT/Ha)	3.0	3.3	
CPO Yield – Nucleus	(MT/Ha)	0.7	0.8	
- SIMP	(MT/Ha)	0.8	0.8	
- Lonsum	(MT/Ha)	0.7	0.8	
CPO Extraction Rate	(%)	22.5	22.3	
- SIMP	(%)	21.9	21.5	
- Lonsum	(%)	23.2	23.2	
PK Extraction Rate	(%)	5.3	5.2	
- SIMP	(%)	4.8	4.6	
- Lonsum	(%)	5.9	5.8	

Our Sustainability Approach

Establish sustainability strategy and principles based on key material issues



Manage material issues via setting of baselines and targets, guided by our sustainability policies, principles and commitment

MATERIAL ISSUES		PRINCIPLES
A. Carbon Management	G. Product traceability /sustainable sourcing	• Compliance
B. Environmental footprint	H. Product quality and safety	• Healthy Living
C. Governance and transparency	I. Yield maximisation and innovation	• Smallholders
D. Land rights	J. Human rights	• Environmental Responsibility
E. Occupational health and safety		• Respect Human Rights
F. Smallholders		• Innovation and Continuous Improvement

Our Sustainability Policies

We use RSPO and Indonesia Sustainable Palm Oil (ISPO) certification as part of how we deliver our Sustainable Palm Oil Policy, Palm Oil Sourcing Policy and Responsible Supplier Guidelines. Selected commitments under these policies are as follows

Sustainable Palm Oil Policy 2013 (covering our own estates)

- Target to achieve 100% sustainable CPO supply, requiring all our mills and plantations, including smallholders, to be RSPO-certified by 2019
- Zero burning policy for land clearing
- Demarcation of, and maintaining biodiversity of High Conservation Value (HCV) areas in accordance with RSPO guidelines since 2008
- No deforestation or new planting on HCV areas
- No planting on peatland regardless of depth since 2013
- Free, Prior and Informed Consent when engaging with local communities and stakeholders
- Protection of human rights and anti-sexual harassment policy to protect women and children's rights
- Prohibits child labour and forced labour

Palm Oil Sourcing Policy and Responsible Supplier Guidelines 2014 (covering our own estates)

- 100% sustainable and traceable palm oil sourcing by 2020
- Purchasing third party palm oil that is
 - not originating from areas cleared by primary forest since 2011,
 - not from HCV areas,
 - not from peat soil deeper than 3 metres planted after February 2009 in line with Indonesian Government regulations
- Respect the Sustainable Palm Oil Policy
- Encourages stakeholder engagement and best agronomic practices
- Sets the commitment to audit suppliers, using the Supplier Guidelines. Audits started in 2015.

Key Programmes

Embed sustainability within our internal operational processes and across our supply chains through 6 core programmes

1. Growing Responsibly

Encourage and promote sustainability as core to our operations

2. Sustainable Agriculture and Products

Achieve sustainable agriculture practices in our crop cultivation

3. Safe and Traceable Products

Ensure all products from refineries and mills are traceable, safe and beneficial for human consumption

4. Smallholders

Support the nucleus – plasma scheme by developing and inclusive supply chain

5. Work and Estate Living

Improve the safety, hygiene, and living conditions for our employees, workers and their families living on the estates

6. Solidarity

Support the development of local communities in and around our estates and factories by improving their existing conditions and quality of life

Our Sustainability Commitment and Targets

Meeting the world's food needs sustainably through innovation and management of excellence

Sustainability targets

1. Achieve ISPO certification for all oil palm estates and mills managed by the Group by end of 2016
2. Achieve RSPO certification for all oil palm estates and mills managed by the Group and its plasma smallholders by end of 2019
3. 100% sustainable palm oil sourcing by end of 2020
4. Achieve internationally recognised standards for sustainable agriculture, where available, for all our other crops, including rubber, sugar, cocoa and tea
5. Set a baseline for environmental footprint by 2014 for all factories and develop environmental reduction targets by 2015 for carbon emissions, energy and water
6. Set a baseline and develop community development plans for welfare improvement for each site by 2015
7. Implement the Occupational Health and Safety programme and complete the baseline assessment for all sites in 2015 to reduce work related accidents
8. HCV assessment study for all sites completed in 2014
9. Develop and implement HCV rehabilitation plan for each site by 2015
10. Phase out the use of paraquat by 2018

Our Sustainability Performance

Commitments	Target Date	Status
<ul style="list-style-type: none"> ▪ RSPO certification for all estates, and those of plasma smallholders 	End 2019	On track
<ul style="list-style-type: none"> ▪ ISPO certification for all estates, and those of plasma smallholders 	End 2016	73% completed. Extended to 2017
<ul style="list-style-type: none"> ▪ 100% sustainable palm oil sourcing 	End 2020	On track
<ul style="list-style-type: none"> ▪ Develop environmental reduction targets for carbon emissions, energy and water 	2015	All data collected. Targets will be set in 2016
<ul style="list-style-type: none"> ▪ Set baseline and develop community Development plan for welfare improvement for each site 	2015	Achieved
<ul style="list-style-type: none"> ▪ Implement the Occupational Health and Safety programme and complete the baseline assessment for all sites to reduce work related accidents 	2015	76% completed. Extended to 2016
<ul style="list-style-type: none"> ▪ Zero fatalities 	On going	Not achieved
<ul style="list-style-type: none"> ▪ Develop and implement HCV ▪ Rehabilitation plan for each site 	2015	HVC rehabilitation plan developed. 20% implemented
<ul style="list-style-type: none"> ▪ Phase out the use of paraquat 	2018	On track

Our Sustainability Performance

RSP0 and ISPO Certification Targets and Progress

Coverage	Certification	Achievement		Future Target					Total
		2014	2015	2016	2017	2018	2019	2020	
Oil Palm Estate	RSP0 Nucleus (hectares) ^a	73,508	25,234 ^b	89,280	36,462	–	21,875 ^c	–	246,359
Oil Palm Estate	ISPO Nucleus (hectares) ^a	8,056	172,574 ^b	15,632	50,097	–	–	–	246,359
Oil Palm Estate	RSP0 Plasma (hectares) ^a	–	–	1,641	14,254	48,355	22,807	–	87,057
Palm Oil Mills	RSP0	8	3 ^b	12	1	–	–	–	24
Palm Oil Mills	ISPO	1	20 ^b	2	1	–	–	–	24

a Hectarage data are based on planted areas as of December 2015.

b Hectarage or number of mills that are already certified or underwent second stage audit of RSP0 and first stage audit of ISPO. The issue date of the certificate is subject to the accreditation period of the certifying body.

c RSP0 certification will be done in 2019 following the target completion of palm oil mills.

Our Sustainability Performance

Other Certification Targets and Progress

Coverage	Certification	Achievement		Future Target					Total
		2014	2015	2016	2017	2018	2019	2020	
Palm Oil Mills	PROPER ^d	10	–	For the remaining 14 mills, the PROPER audit is subject to the Indonesian Ministry of Environment appointment					24
Refineries	PROPER ^d	4	–	1	–	–	–	–	5
Palm Oil Mills	ISO 14001	–	4 ^e	4	8	8	–	–	24
Refineries	ISO 14001	–	–	1	3	–	–	–	4
Refineries	RSPO Supply chain certification	–	–	1	3	–	–	–	4

d Target application dates for participation in the Indonesian government's PROPER audit. Participation is subject to approval by the Indonesian Ministry of Environment.

e 3 units are in the audit process, 1 unit is awaiting the certificate.

Supply Chain Targets

Target	Achievement		Future Target					
	2014	2015	2016	2017	2018	2019	2020	
Responsible CPO supplier programme	Suppliers that supply 97% of our CPO requirement have acknowledged our policy and guidelines	Suppliers that supply 80% of our CPO requirement have undergone initial audit against our sourcing policy	Audit CPO suppliers and ensure compliance					100% sustainable palm oil sourcing

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