



IND@FOOD AGRI RESOURCES Ltd.

Company Presentation – 1Q 2014 Results

30 April 2014

Ind@Agri

a subsidiary of:

Indofood
THE SYMBOL OF QUALITY FOODS

Presentation Outline

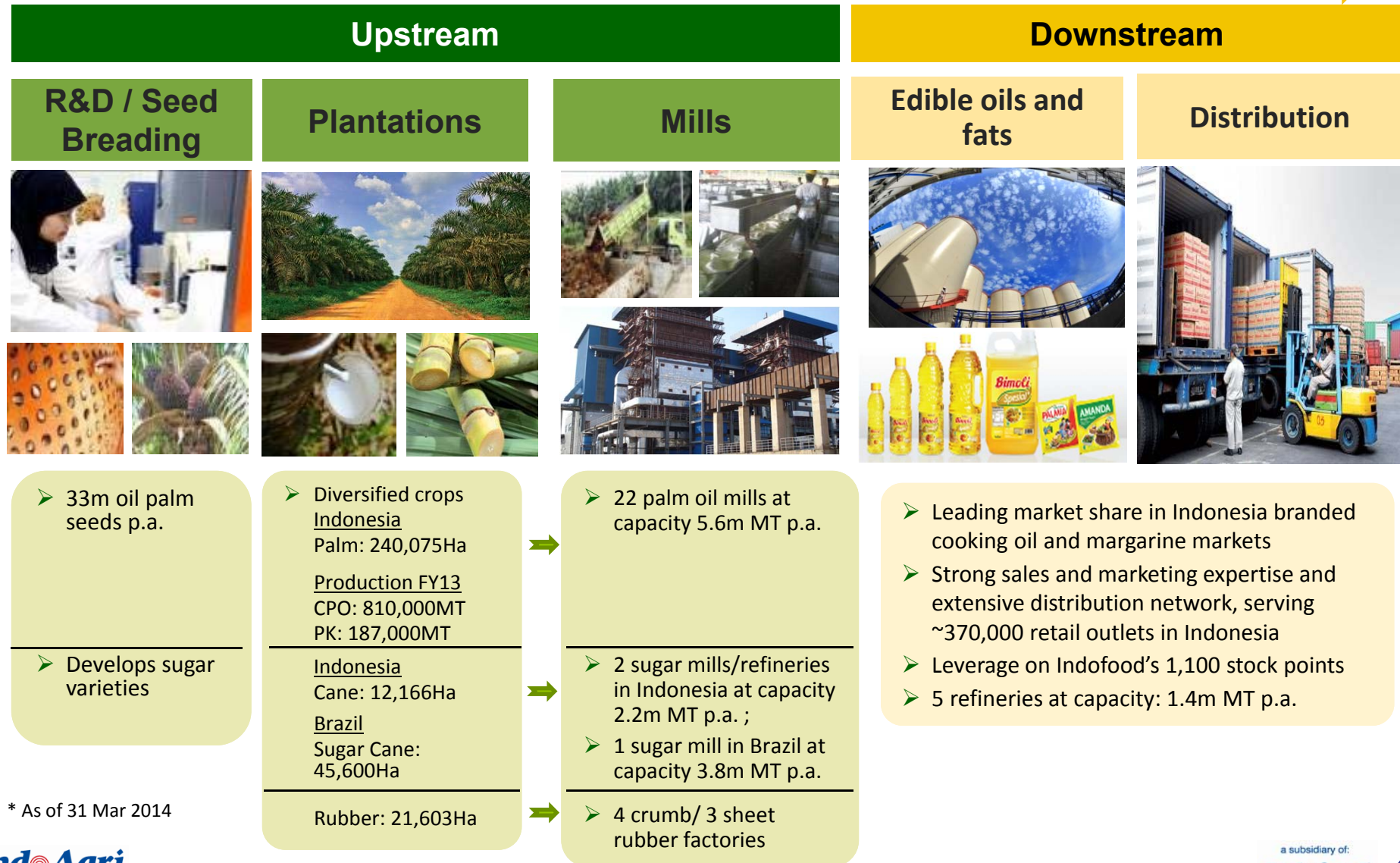
- 1 Business Overview**
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Section 1 – Business Overview



Integrated and Diversified Agribusiness

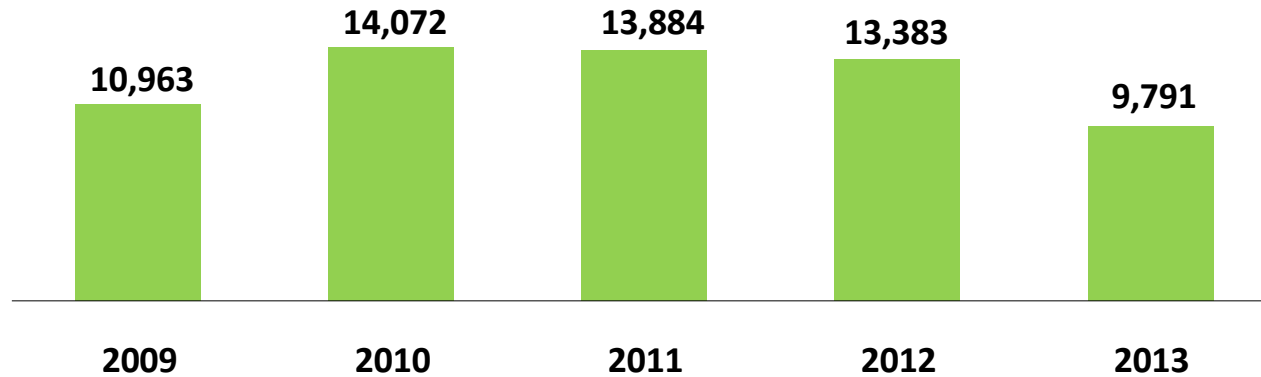
Capturing value across the entire supply chain



* As of 31 Mar 2014

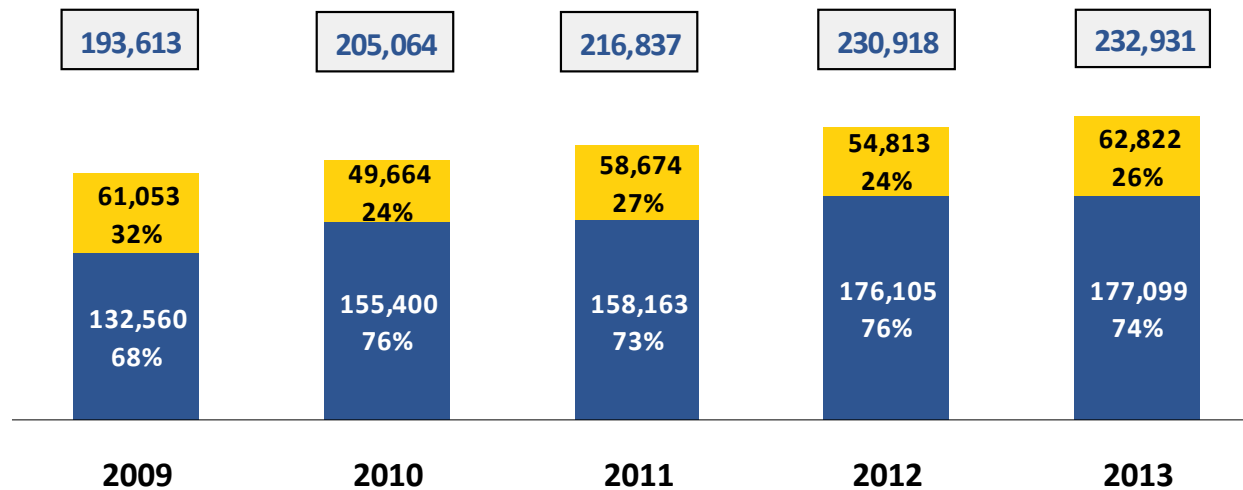
New Plantings ≈ 62,000 Ha in Last 5 Years (2009 – 2013)

in Ha Oil Palm New Planting - Nucleus



in Ha Oil Palm Planted Area - Nucleus

Total Nucleus Oil Palm Planted Area



■ Mature ■ Immature

Key Corporate Actions in Last 5 Years (2009-2013)

2009

- Acquired plantation land bank of 10,000 hectares in South Sumatra, Indonesia
- Incorporated a new subsidiary to own barges, tugboats and operate a shipping logistics business
- Raised Rp730 billion from 5-year Indonesian Rupiah Bonds and Islamic Lease-based Bonds

2010

- Divested 8% or 109,521,000 shares in Lonsum for a cash consideration of Rp1.3 trillion, of which, 3.1% was sold to PT SIMP and 4.9% was sold to the public

2011

- Listed PT SIMP on the main board of the Indonesia Stock Exchange and raised net proceeds of Rp3.35 trillion from an IPO of 3,163,260,000 new ordinary shares

2012

- Acquired a 26.4% interest in Heliae, a development stage algae technology solutions company for US\$15 million



2013

- Acquired a 79.7% interest in MPM, which in turn owns the SAL Group that holds three industrial forest plantation concessions for Rp330 billion (US\$34.0 million), totalling 73,330 hectares in East Kalimantan
- Acquired a 50% stake in CMAA for cash consideration of BRL143.4 million (US\$66.6 million), the Group's first overseas investment into the sugar, ethanol and co-generation industry in Brazil
- Established a S\$500 million Euro Medium Term Note Programme
- Formed FP Natural Resources Limited (FPNRL), a joint venture between First Pacific Company Limited (70% stake) and IndoAgri (30% stake), to invest 34% in Roxas Holdings Inc. (Roxas), the largest integrated sugar business in the Philippines. The cash consideration for IndoAgri was US\$17.4 million

Overseas Expansion – CMAA Brazil (Minas Gerais Province)

- CMAA acquisition completed in June 2013. Key rationale:
 - ❑ Expansion of our presence into the sugar, ethanol and co-generation industry in Brazil
 - ❑ Superior technical know-how and best practices from Brazil that can be transferred back to IndoAgri's Indonesia sugar operations
 - ❑ Earnings accretive investment
 - ❑ with a strong local partner in an expanding business

- Key Highlights:
 - ❑ 1 sugar cane factory with a total cane crushing capacity of 3.8m MT p.a.; supplemented by ethanol and co-generation plants
 - ❑ As of Mar 2014, planted area was 45,600 Ha, of which 52% - owned by CMAA.
 - ❑ In 2013, harvested cane were 3.0 million MT, producing 187,000 MT of raw sugar and 137,000 m³ ethanol



Geographical Presence



Legend

-  Oil Palm
-  Tea
-  Sugar Cane
-  Refinery
-  Rubber
-  Sugar Mill
-  Cocoa
-  Copra Mill

Facilities	Palm Oil Mill		Crumb Rubber Facility		Sheet Rubber Facility		Sugar Mill & Refinery		Refinery	
	Unit	Capacity p.a (MT FFB)	Unit	Capacity p.a (MT Dry Rubber)	Unit	Capacity p.a (MT Dry Rubber)	Unit	Capacity p.a (MT Sugar Cane)	Unit	Capacity p.a (MT CPO)
SIMP	11	3,348,000	-	-	-	-	2	2,160,000	5	1,425,000
Lonsum	11	2,295,000	4	42,720	3	11,100	-	-	-	-
CMAA - Brazil	-	-	-	-	-	-	1	3,800,000	-	-
Group	22	5,643,000	4	42,720	3	11,100	3	5,960,000	5	1,425,000

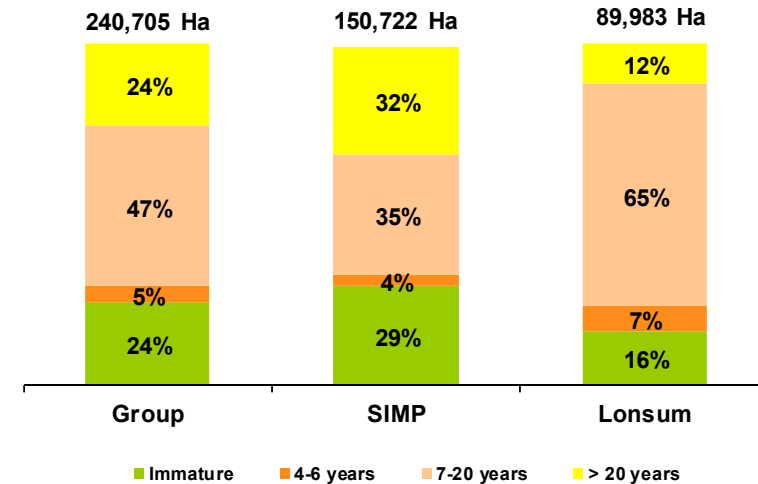
Section 2 – Plantation Highlights



Planted Area

In Ha	31 Mar 2014	31 Dec 2013	Change
Indonesia			
Planted Area	293,770	292,768	1,002
Planted Oil Palm⁽¹⁾	240,705	239,921	784⁽²⁾
- SIMP	150,722	150,076	646
- Lonsum	89,983	89,845	138
Planted Other crops	53,065	52,847	218
Rubber	21,603	21,759	(156)
- SIMP	4,409	4,409	-
- Lonsum	17,194	17,350	(156)
Sugar cane - SIMP	12,166	11,645	521
Cocoa & tea - Lonsum	3,237	3,384	(147)
Industrial timber - SIMP	16,059	16,059	-
Brazil - CMAA			
Sugar cane	45,600	42,517	3,083
- Company	23,838	20,755	3,083
- Third Party	21,762	21,762	-

Oil Palm Average age ≈ 13 years



(1) As at 31 Mar 2014, the Group has ≈ 86,560 Ha of planted oil palm plasma area. Out of which, 188 Ha are new planting in 1Q14

(2) 1Q14 new plantings for oil palm at 1,158 Ha vs. 1,500 Ha in 1Q13

➤ Mature oil palm increased by 6,917 Ha in 1Q14

Oil Palm Plantation Highlights

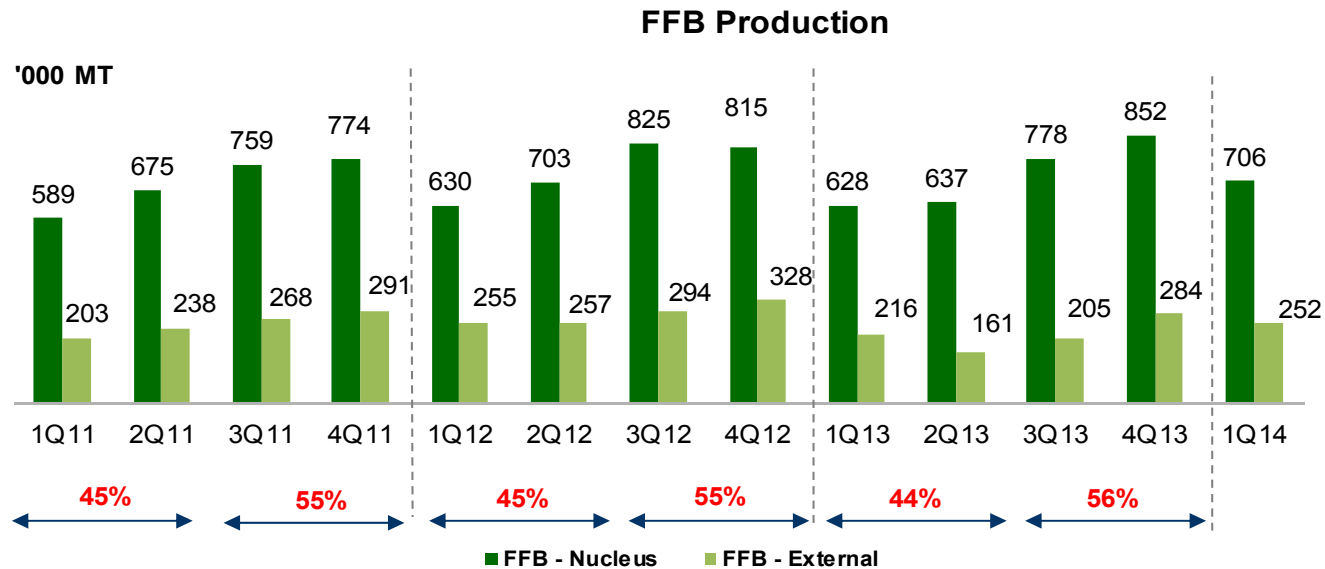
		1Q14	1Q13	YoY Growth	FY13
PRODUCTION					
Mature Area	(Ha)	183,286	177,591	3%	177,099
FFB	('000 MT)	958	844	13%	3,761
- Nucleus	('000 MT)	706	628	12%	2,895
- External	('000 MT)	252	216	16%	866
CPO	('000 MT)	210	182	15%	810
PK	('000 MT)	47	42	11%	187

PRODUCTIVITY

FFB Yield – Nucleus	(MT/Ha)	3.9	3.5	↑	16.3
CPO Yield – Nucleus	(MT/Ha)	0.9	0.8	↑	3.6
CPO Extraction Rate	(%)	22.5	22.2	↑	22.1
PK Extraction Rate	(%)	5.1	5.2	↓	5.1

- FFB nucleus production growth driven by higher production from South Sumatra and Kalimantan
- Sugar milling and harvesting season commences in April

Oil Palm Production Trends



Growth

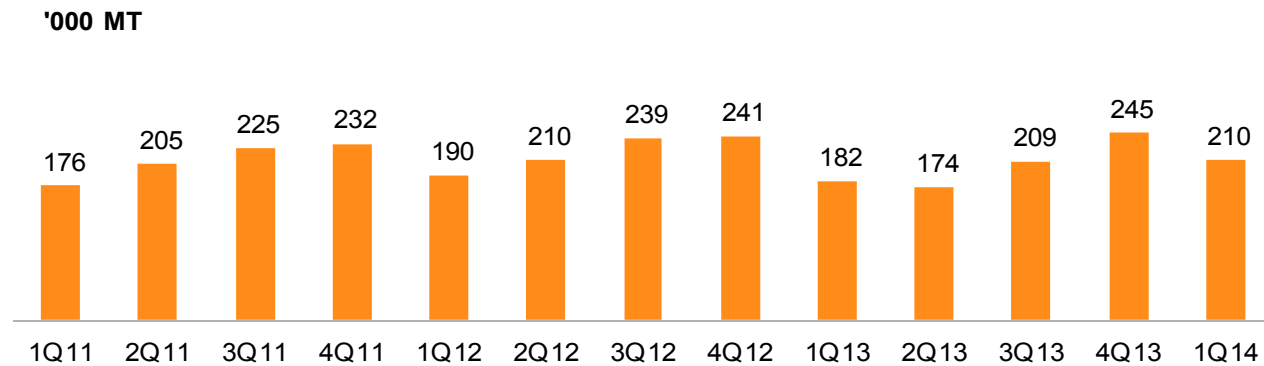
FFB - Nucleus

1Q14 YoY : 12%

FFB - External

1Q14 YoY : 16%

CPO Production



CPO

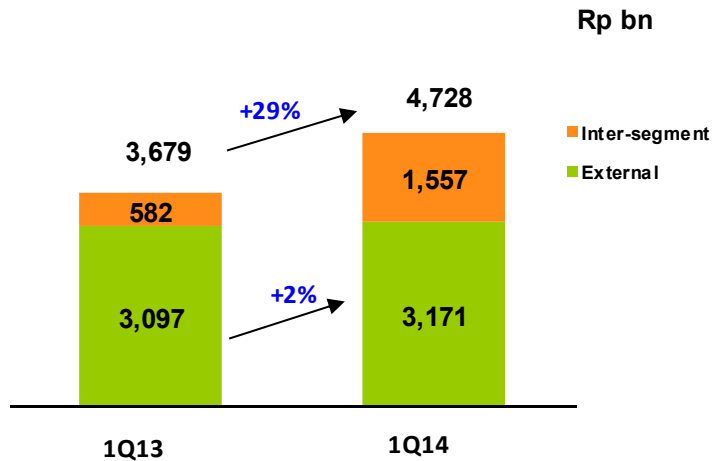
1Q14 YoY : 15%

Section 3 – Financials Highlights



Results Summary

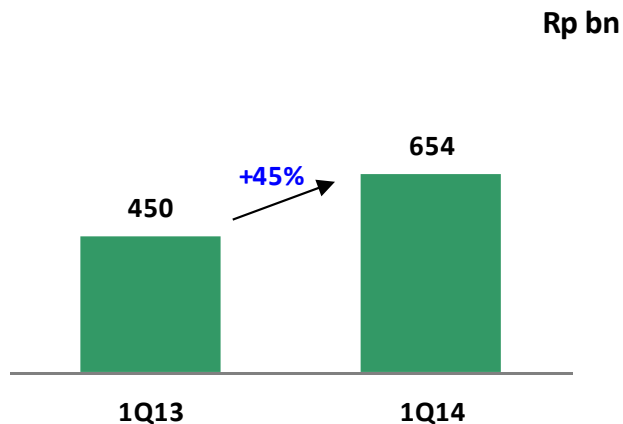
Revenue



Financial Highlights

- A strong set of 1Q14 results on strong recovery in average selling prices (ASP), particularly CPO up 43% and Palm Kernel up 107%, and foreign currency gain
- Total revenue (before elimination of inter-segment sales) up 29% yoy on higher sales from both Plantation and EOF divisions
- 1Q14 EBITDA up 45% yoy on strong profit contribution from Plantation Division
- 1Q14 attributable profit up 70% on yoy

EBITDA*



Operational Highlights

- Achieved FFB nucleus production of 706,000 tonnes in 1Q14, up 12% yoy on higher production from South Sumatra and Kalimantan
- CPO production up 15% to 210,000 tonnes mainly due to both higher nucleus production and higher purchases of FFB from external parties

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

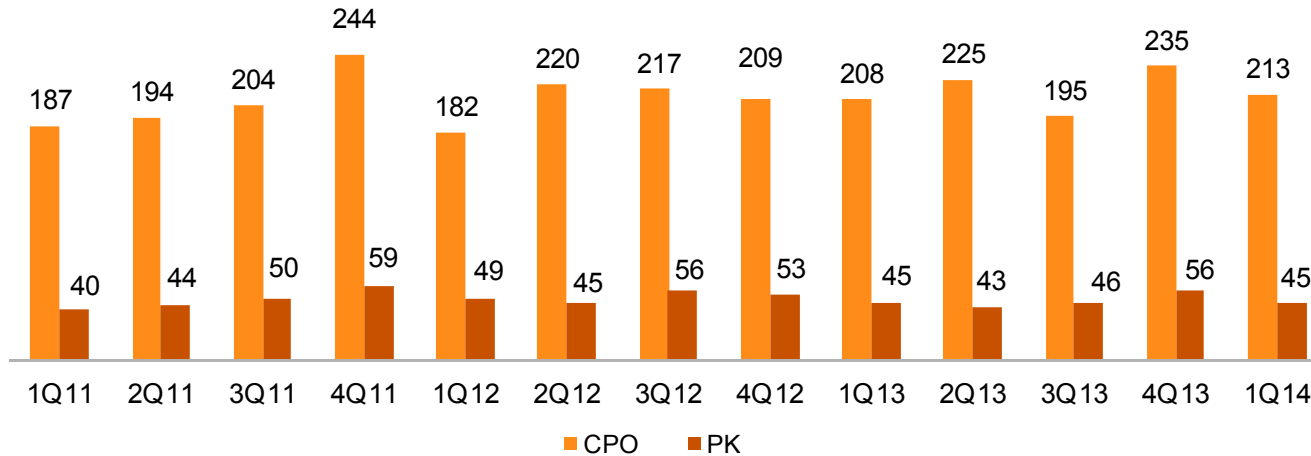
Sales Volume

In '000 MT	1Q14	1Q13	YoY Growth	FY13
Plantation				
CPO	213	208	2%	864
Palm Kernel	45	45	(1%)	190
Sugar	10	10	1%	76
Rubber	4.1	3.7	9%	15.9
Oil Palm Seeds ('million)	1.7	4.9	(66%)	17.9
Edible Oils & Fats				
Cooking Oil, Margarine and Coconut Oil	189	182	4%	790

Sales Volume Trend

CPO and PK - Sales Volume

'000 MT



Growth

CPO

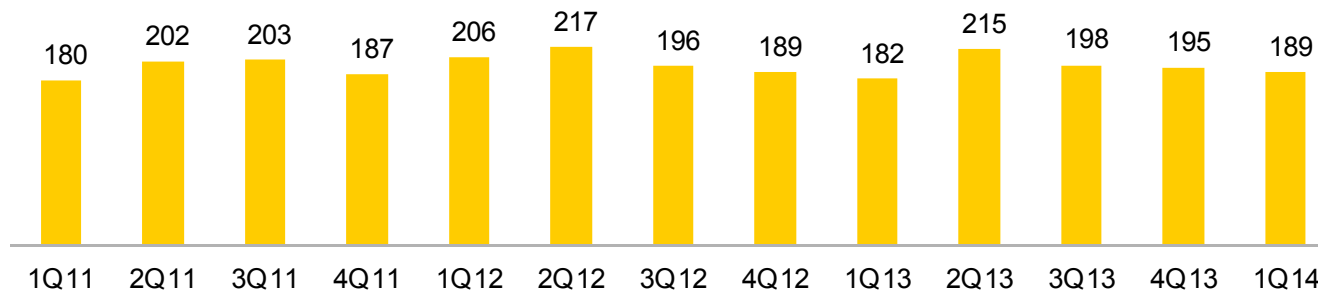
1Q14 YoY : 2%

PK

1Q14 YoY : (1%)

Edible Oils & Fats - Sales Volume

'000 MT

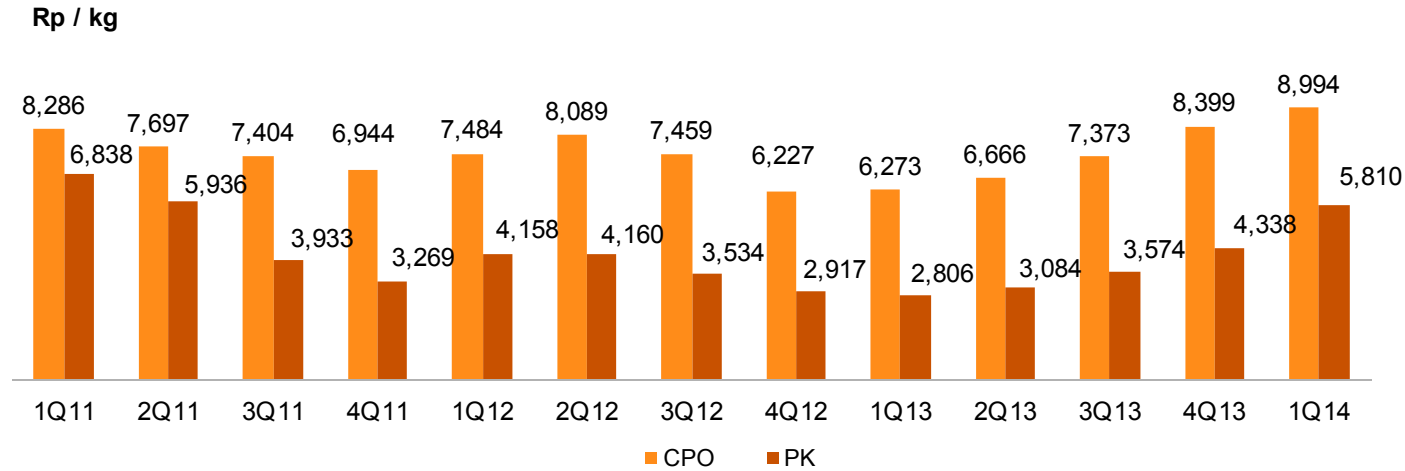


Edible Oils & Fats

1Q14 YoY : 4%

Average Selling Price (ASP) Trend

CPO and PK - ASP



Growth

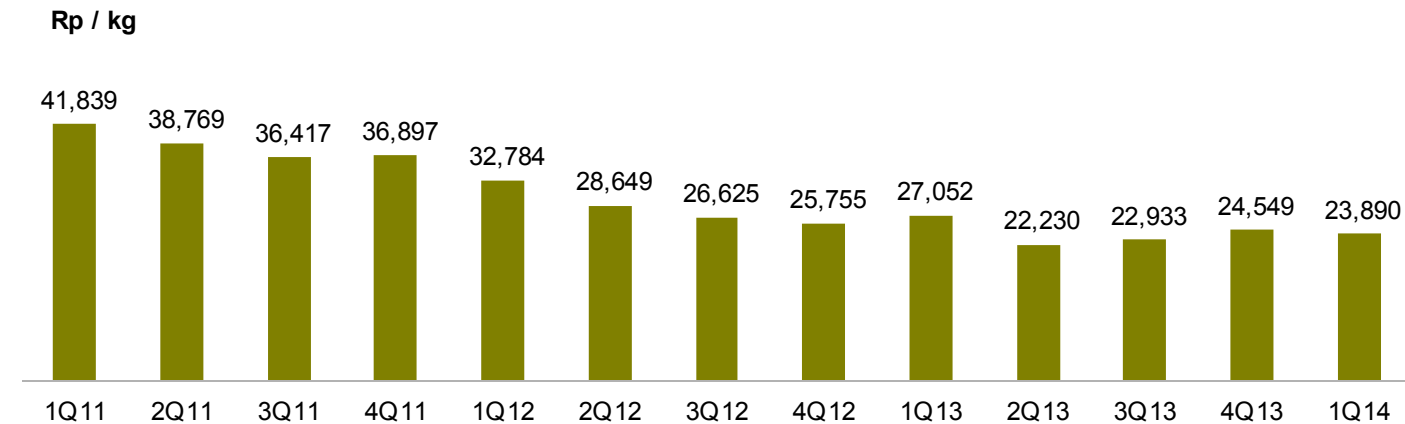
CPO

1Q14 YoY : 43%

PK

1Q14 YoY : 107%

Rubber - ASP



Rubber

1Q14 YoY : (12%)

Financial Summary

In Rp Bn	1Q14	1Q13	YoY Growth	FY13
Sales	3,171	3,097	2%	13,280
EBITDA*	654	450	45%	2,614
Operating profit**	574	302	90%	1,631
Gain/(loss) arising from changes in FV of biological assets	-	-		62
Net profit	342	153	123%	921
Attributable profit	182	107	70%	523
Attributable profit exclude biological assets gain/(loss)	182	107	70%	476
EPS (fully diluted) - Rp	128	74	73%	366
EBITDA margin	21%	15%	↑	20%
Operating profit margin	18%	10%	↑	12%
Net profit margin	11%	5%	↑	7%
Attributable profit margin	6%	3%	↑	4%
Attributable profit exclude biological assets gain/(loss) margin	6%	3%	↑	4%

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

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

Segmental Results

In Rp Bn	1Q14	1Q13	YoY Growth	FY13
<u>Sales</u>				
Plantations	2,433	1,743	40%	8,450
Edible Oil & Fats	2,295	1,935	19%	8,627
Elimination & Adjustments	(1,557)	(582)	168%	(3,798)
Total	3,171	3,097	2%	13,280
<u>EBITDA</u>				
Plantations	819	243	237%	2,263
<i>EBITDA %</i>	34%	14%		27%
Edible Oil & Fats	(7)	201	(104%)	393
<i>EBITDA %</i>	(0.3%)	10%		5%
Elimination & Adjustments ⁽¹⁾	(158)	6	n/m	(41)
Sub-total	654	450	45%	2,614
Net Forex Gains/(Losses)	86	(4)	n/m	(201)
Total	739	446	66%	2,414

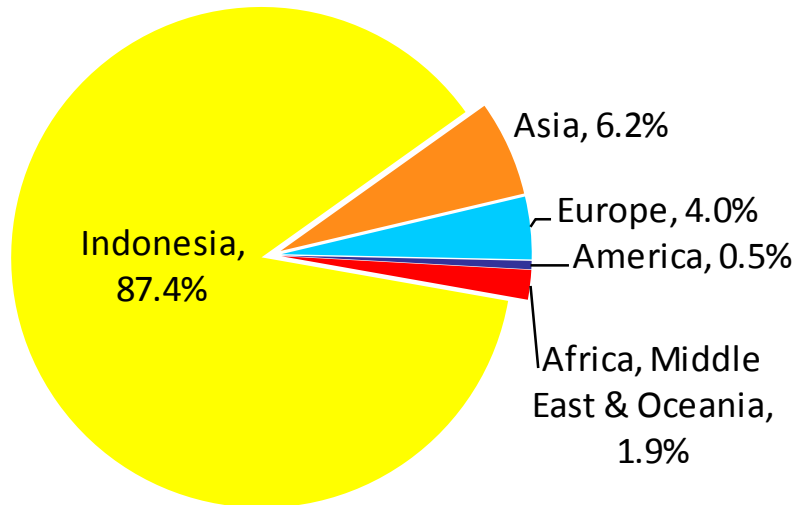
(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment and regional office costs.

- CPO stock at refineries increased from 34,000 MT @ Dec'13 to 66,000 MT @ Mar'14 in anticipation of the ramp up in production for the peak season. A major portion of CPO stock was from own internal plantation, and the related unrealised profit amounted to Rp134 billion, which would likely to be realised in the next quarter.

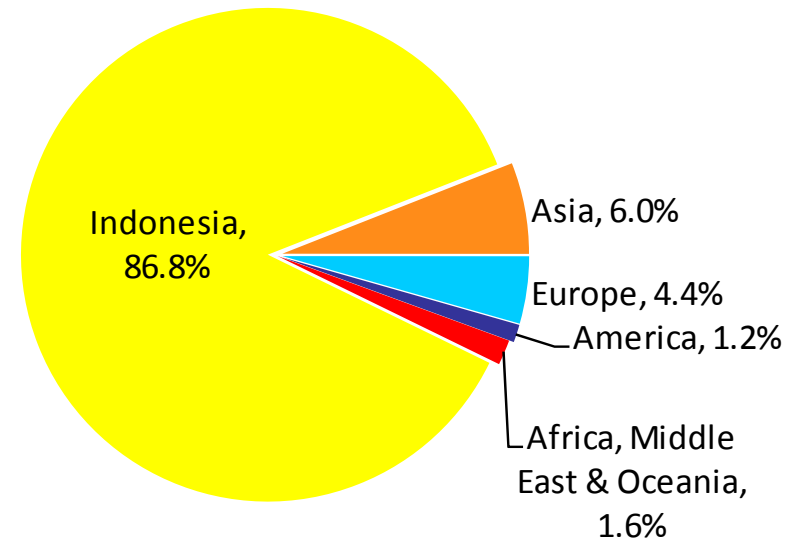
External Revenue Breakdown

By Geographical Location

1Q14



1Q13



- Indonesia remained our dominant market with 87% of sales derived from the domestic market, mainly comprised of edible oil product, palm product, palm seeds and sugar.
- Exports to the United States and Europe mainly comprised of copra-based product and rubber.
- While exports to Asia, Africa, Middle East & Oceania comprised of edible oil products.

Financial Position

Balance Sheet (In Rp Bn)	31-Mar-14	31-Dec-13
TOTAL ASSETS	38,962	37,705
Cash	3,845	3,803
TOTAL LIABILITIES	15,895	14,872
Interest Bearing Debt	9,501	8,795
TOTAL EQUITY*	23,067	22,833
Net Debt / EBITDA Ratio (Annualised)	2.16x	1.91x
Net Debt / Total Equity Ratio	0.25x	0.22x
Net Assets Value per Share - in Rupiah	9,989	9,876
Net Assets Value per Share - in SGD	1.10	1.09
Cash Flow (In Rp Bn)	1Q14	1Q13
Net Cash Flow generated from Operating Activities	231	260
Net Cash Flow used in Investing Activities	(908)	(1,015)
Net Cash Flow generated from Financing Activities	805	65
Net Increase (Decrease) in Cash & Cash Equivalents	128	(690)
Net Effect of Changes in Forex	(86)	(1)
Sub-total	42	(691)
Cash & Cash Equivalent - Beginning	3,803	5,082
Cash & Cash Equivalent - Ending	3,845	4,391

* Total equity includes shareholders funds and minority interests.

Section 4 – Strategies and Expansion



Strategies and Expansion – 2014

Indonesia

- Focus organic expansion on new plantings of oil palm and sugar plantations in Indonesia

- Expansion of plantation production facilities
 - ❑ One 45MT/hour new mill in East Kalimantan due for completion in 3Q 2014
 - ❑ Two 45MT/hour new mills in Kalimantan due for completion in 2015
 - ❑ Expanding one existing mills in South Sumatra from 40 MT/hour to 60 MT/hour due for completion in 3Q 2014
 - ❑ Constructed a 150MT/day PKO plant in Riau in 1Q 2014
 - ❑ Additional RSPO Certified CPO of 43,000 tonnes, bringing total CSPO production to 291,000 tonnes

- Expansion of downstream facilities
 - ❑ Constructing a 200 MT/day margarine plant at Tanjung Priok in 2014
 - ❑ Constructing one 330,000 MT/year new refinery in Dumai due for completion in 2015

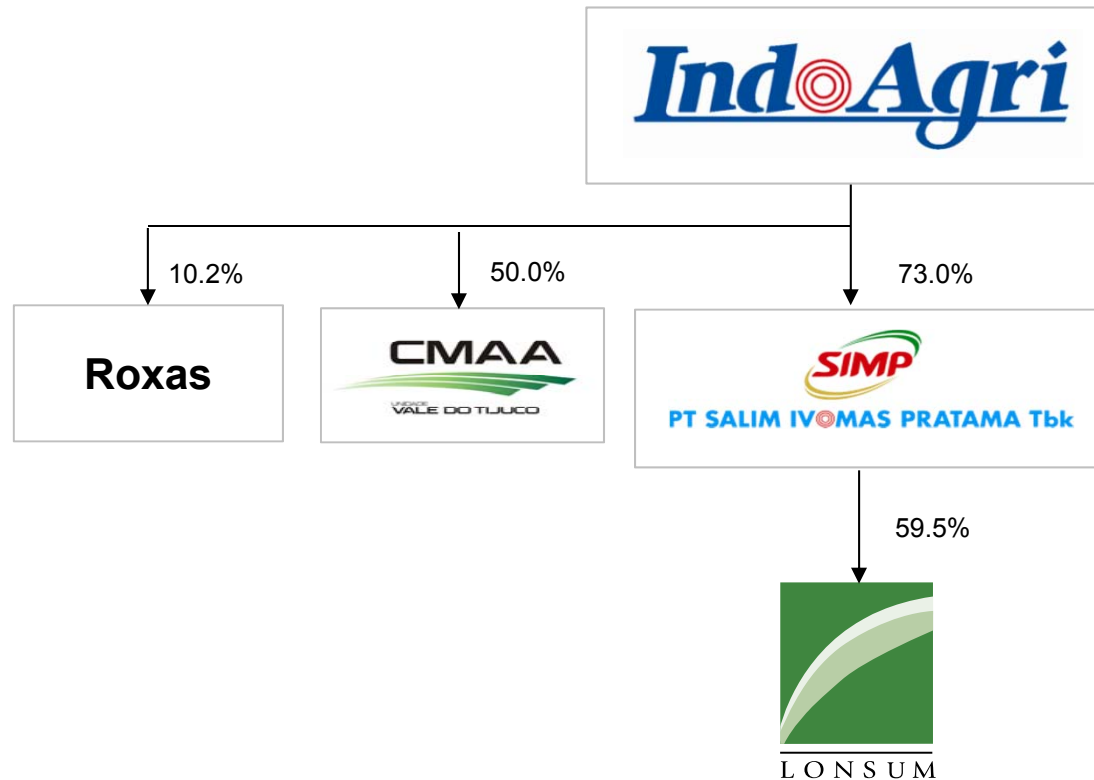
Outside Indonesia

- CMAA in Brazil has expanded its cane crushing capacity from 3.0 million to 3.8 million MT/year in April 2014

Section 5 – Appendix



Corporate Structure



Note:

- (1) IndoAgri is 60.4% effectively owned by Indofood
- (2) Indofood has a direct interest of 6.5% in SIMP
- (3) Based on total number issued shares, excluding the following shares held in treasury as of 31 Mar 2014
 - IndoAgri : 30,500,000
 - SIMP : 208,273,400
 - Lonsum : 2,900,000

Production Breakdown

		1Q14	1Q13	YoY Growth	FY13
PRODUCTION					
Mature Area					
- SIMP	(Ha)	107,443	102,257	5%	102,155
- Lonsum	(Ha)	75,844	75,333	1%	74,944
FFB					
- Nucleus					
- SIMP	('000 MT)	397	357	11%	1,644
- Lonsum	('000 MT)	308	271	14%	1,250
- External					
- SIMP	('000 MT)	136	115	18%	454
- Lonsum	('000 MT)	125	114	10%	477
CPO					
- SIMP	('000 MT)	110	93	18%	414
- Lonsum	('000 MT)	100	89	13%	396
PK					
- SIMP	('000 MT)	23	22	6%	93
- Lonsum	('000 MT)	24	21	17%	94
PRODUCTIVITY					
FFB Yield – Nucleus					
- SIMP	(MT/Ha)	3.7	3.5	↑	16.1
- Lonsum	(MT/Ha)	4.1	3.6	↑	16.7
CPO Yield – Nucleus					
- SIMP	(MT/Ha)	0.8	0.8	↔	3.4
- Lonsum	(MT/Ha)	1.0	0.8	↑	3.9
CPO Extraction Rate					
- SIMP	(%)	21.9	21.5	↑	21.3
- Lonsum	(%)	23.2	23.0	↑	22.9
PK Extraction Rate					
- SIMP	(%)	4.6	5.0	↓	4.8
- Lonsum	(%)	5.6	5.4	↑	5.5

Contact Us

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