

IND@FOOD AGRI RESOURCES Ltd.

Company Presentation – 4Q and FY 2013 Results

28 Feb 2014



Ind@Agri

a subsidiary of:
Indofood
THE SYMBOL OF QUALITY FOODS

Presentation Outline

1 Plantation Highlights

2 Financial Highlights

3 Strategies and Expansion

4 Appendix

Section 1

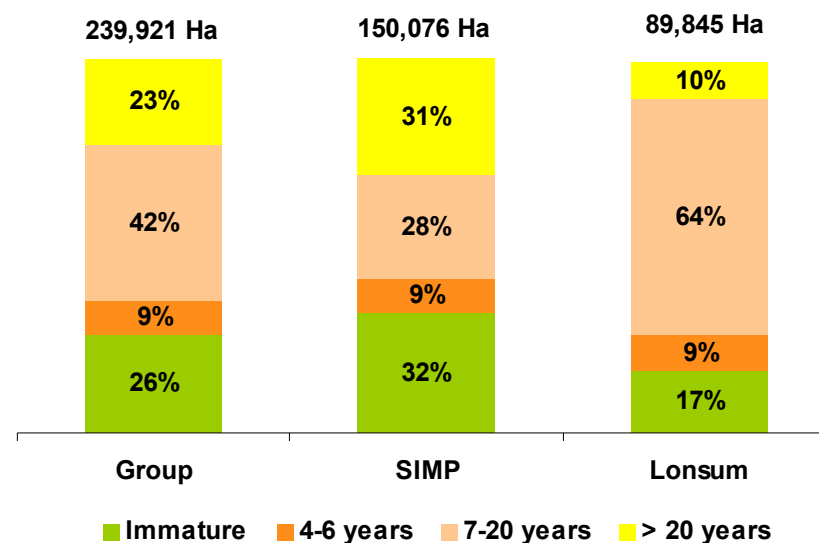
Plantation Highlights



Planted Area - Nucleus

In Ha	31 Dec 2013	31 Dec 2012	Increase/ (Decrease)
Indonesia			
Planted Area	276,709	268,725	7,984
Planted Oil Palm⁽¹⁾	239,921	230,919	9,002⁽²⁾
- SIMP	150,076	145,576	4,500
- Lonsum	89,845	85,343	4,502
Planted Other crops	36,789	37,806	(1,017)
Rubber	21,759	21,802	(43)
- SIMP	4,409	4,409	-
- Lonsum	17,350	17,393	(43)
Sugar cane - SIMP	11,645	12,333	(688) ⁽³⁾
Cocoa & tea - Lonsum	3,384	3,671	(287)
Brazil - CMAA			
Sugar cane (49% owned)	42,517	34,000	8,517

Oil Palm Average age ≈ 12 years



(1) As at 31 Dec 2013, the Group has ≈ 86,215 Ha of planted oil palm plasma area. Out of which, 2,348 Ha are new planting in FY13

(2) FY13 new plantings for oil palm at 9,791 Ha vs. 13,383 ha in FY12

(3) Planted area includes replanting in progress would have been 12,582 Ha

Oil Palm Plantation Highlights

	FY13	FY12	YoY Growth	4Q13	4Q12	YoY Growth	3Q13	QoQ Growth
Mature Area (Ha)	177,099	176,105	1%	177,099	176,105	1%	176,141	1%
- SIMP	102,155	101,837	0%	102,155	101,837	0%	101,175	1%
- Lonsum	74,944	74,268	1%	74,944	74,268	1%	74,966	0%
FFB ('000 MT)	3,761	4,107	(8%)	1,135	1,143	(1%)	983	16%
- Nucleus production	2,895	2,973	(3%)	852	815	4%	778	10%
- SIMP	1,645	1,658	(1%)	469	453	4%	446	5%
- Lonsum	1,250	1,315	(5%)	383	363	6%	332	15%
- Purchase from external	866	1,134	(24%)	284	328	(13%)	205	38%
- SIMP	454	502	(10%)	140	138	2%	111	27%
- Lonsum	477	679	(30%)	156	193	(20%)	117	33%
FFB Yield – Nucleus (MT/Ha)	16.3	16.9		4.8	4.6		4.4	
- SIMP	16.1	16.3		4.6	4.4		4.4	
- Lonsum	16.7	17.7		5.1	4.9		4.4	

- Strong QoQ nucleus FFB production growth in 4Q13 and grew 4% yoy
- FY13 FFB decline mainly due to lower nucleus FFB production in Sumatra and lower external FFB purchases arising from tighter quality controls

Oil Palm Plantation Highlights

	FY13	FY12	YoY Growth	4Q13	4Q12	YoY Growth	3Q13	QoQ Growth
CPO Production ('000 MT)	810	880	(8%)	245	241	2%	209	17%
- SIMP	414	432	(4%)	121	115	5%	108	12%
- Lonsum	396	448	(12%)	124	126	(1%)	101	23%
CPO Extraction Rate (%)	22.1%	21.7%		22.3%	21.8%		21.6%	
- SIMP	21.3%	20.9%		21.7%	20.9%		20.8%	
- Lonsum	22.9%	22.5%		23.0%	22.7%		22.5%	
CPO Yield – Nucleus (MT/Ha)	3.6	3.7		1.1	1.0		1.0	
- SIMP	3.4	3.4		0.9	0.9		0.9	
- Lonsum	3.9	4.1		1.2	1.1		1.0	
PK Production ('000 MT)	187	207	(10%)	57	57	(1%)	48	19%
- SIMP	93	99	(6%)	27	27	(0%)	24	12%
- Lonsum	94	108	(12%)	30	30	2%	24	27%
PK Extraction Rate (%)	5.1%	5.1%		5.2%	5.2%		5.0%	
- SIMP	4.8%	4.8%		4.8%	5.0%		4.7%	
- Lonsum	5.5%	5.4%		5.6%	5.4%		5.3%	

Sugar Plantation Highlights

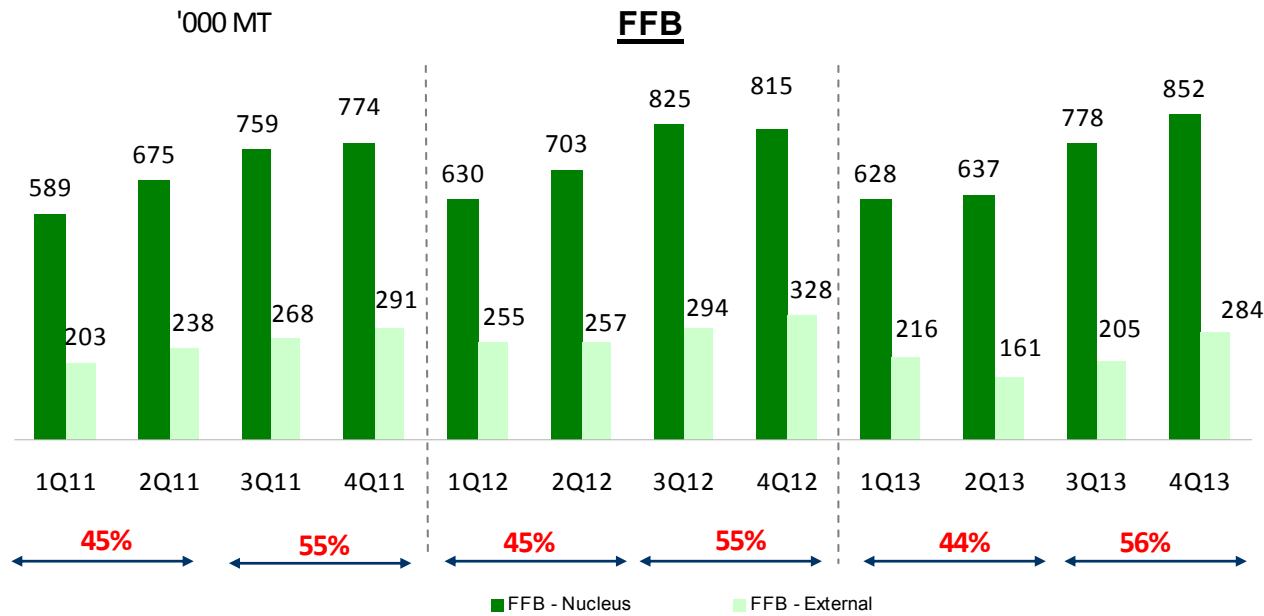
INDONESIA	FY13	FY12	YoY Growth	4Q13	4Q12	YoY Growth	3Q13	QoQ Growth
Planted Area (Ha)	11,645	12,333	(6%)	11,645	12,333	(6%)	11,008	6%
Sugar Cane Harvested ('000 MT) ⁽¹⁾	758	588	29%	226	-	n/m	337	(33%)
Sugar Production ('000 MT)	78	70	12%	30	-	n/m	33	(8%)
From sugar cane								
- South Sumatra Plantation	53	49	8%	15	-	n/m	24	(37%)
- Java (LPI's share)	9	12	(18%)	3	-	n/m	5	(39%)
From raw sugar	16	9	66%	12	6	100%	4	n/m

BRAZIL	9 Months Ending Dec 13	12 Months Ending Mar 13
Planted Area (Ha) ⁽²⁾	42,517	34,000
Sugar Cane Harvested ('000 MT)	3,025	2,218
Raw Sugar Production ('000 MT)	187	152
Ethanol ('000 M ³)	136	96

(1) Harvested cane were relating to Komering sugar cane plantation

(2) Of the 42,517 Ha planted sugar cane, 49% owned by CMAA and 51% contracted 3rd party farmers

Oil Palm Plantation Production Trend



Growth

FFB - Nucleus

FY13 YoY : (3%)

4Q13 YoY : 4%

4Q13 QoQ : 10%

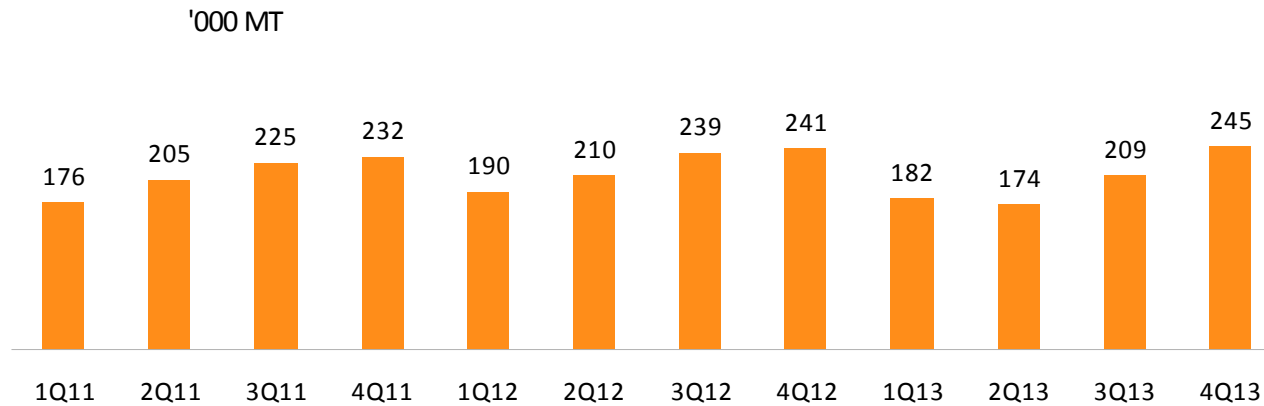
FFB - External

FY13 YoY : (24%)

4Q13 YoY : (13%)

4Q13 QoQ : 38%

Total CPO



Total CPO

FY13 YoY : (8%)

4Q13 YoY : 2%

4Q13 QoQ : 17%

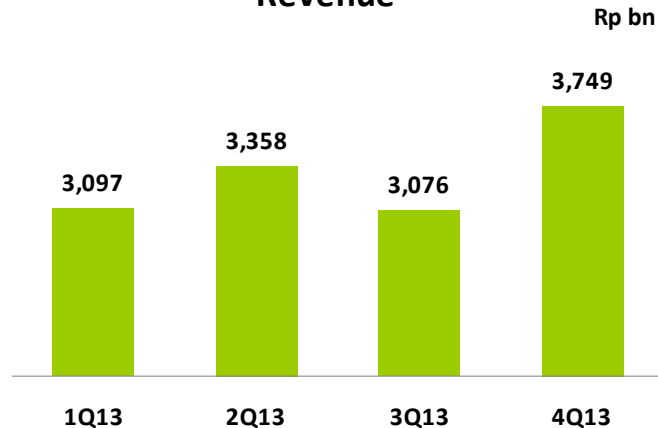
Section 2

Financial Highlights

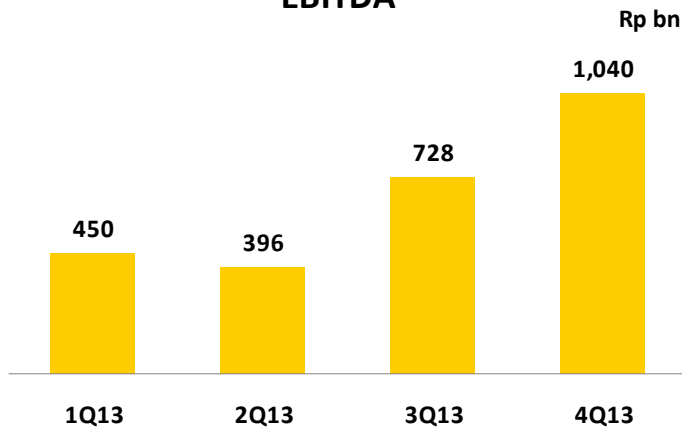


Results Summary

Revenue



EBITDA*



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

Financial Highlights

- A strong set of 4Q13 results with revenue grew 12.8% yoy on strong recovery in average selling prices (ASP), as well as higher sales volume of palm products and branded edible oil products. While FY13 revenue fell 4.1% yoy on lower edible oil sales.
- 4Q13 EBITDA up 61.3% yoy on strong profit contribution from Plantation Division, but down 19.4% yoy in FY13.
- A maiden profit contribution from our CMAA of Rp64 billion in FY13.
- Attributable profit grew 31.6% yoy on stronger sales in 4Q13, but down 49.1% yoy in FY13 mainly due to lower gross profit and foreign exchange losses.

Operational Highlights

- Achieved FFB nucleus production of 2,895,000 tonnes in FY13, down 2.6% yoy lower production from Sumatra, while CPO production down 8.0% to 810,000 tonnes mainly due to lower purchases of FFB from external parties.
- Expanding our presence in the global sugar industry with a 50% stake in CMAA in Brazil and a 30% JV, FPNRL which invested 34% in Roxas in Philippines.

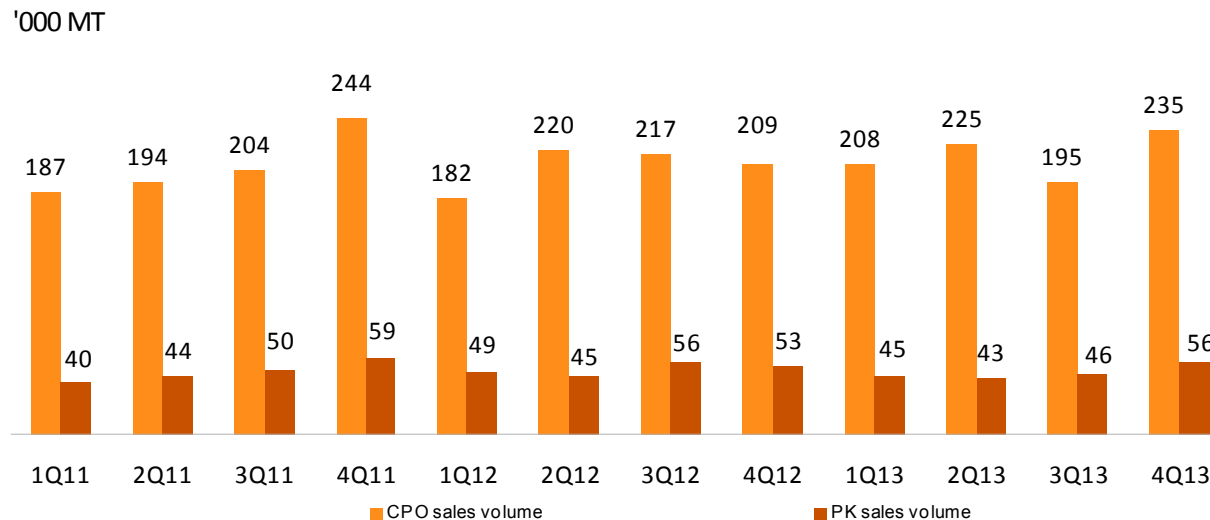
Sales Volume

In '000 MT	FY13	FY12	YoY Growth	4Q13	4Q12	YoY Growth	3Q13	QoQ Growth
Plantation								
CPO	864	829	4%	235	209	12%	195	21%
Palm Kernel	190	202	(6%)	56	53	7%	46	21%
Sugar	76	62	21%	32	24	33%	24	30%
Rubber	15.9	16.6	(4%)	3.8	4.6	(16%)	4.5	(14%)
Oil Palm Seeds ('million)	18	25	(27%)	4	7	(44%)	3	34%
Edible Oils & Fats								
Cooking Oil, Margarine and Coconut Oil	790	808	(2%)	195	189	3%	198	(1%)

- In line with stronger production in 4Q13, sales volume for CPO and PK grew 12% and 7% yoy.
- On FY13 basis, CPO sales volume was higher due to realisation of last year end's stock levels
- FY13 EOF decline was due to lower coconut oil and bulk oil sales, volume growth in underlying branded products

CPO, PK and Edible Oils & Fats Sales Volume Trend

CPO and PK - Sales Volume



Growth

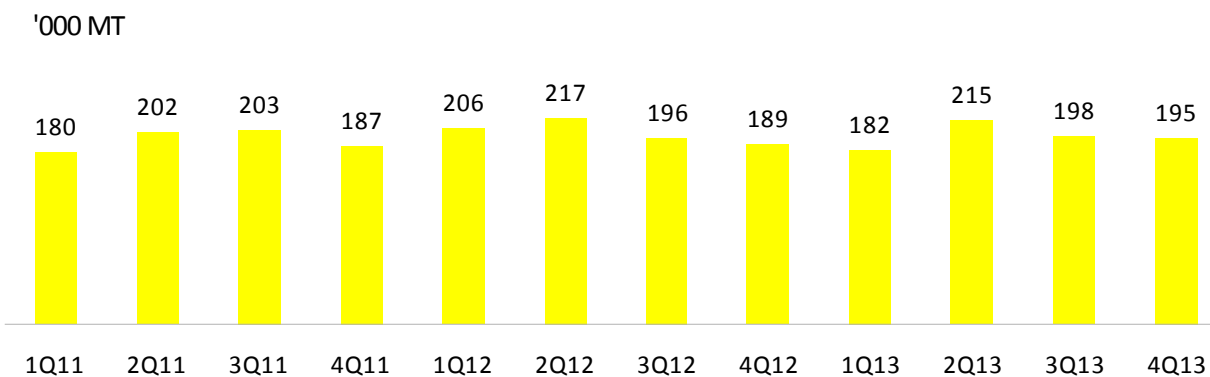
CPO

FY13 YoY : 4%
 4Q13 YoY : 12%
 4Q13 QoQ : 21%

PK

FY13 YoY : (6%)
 4Q13 YoY : 7%
 4Q13 QoQ : 21%

Edible Oils & Fats - Sales Volume

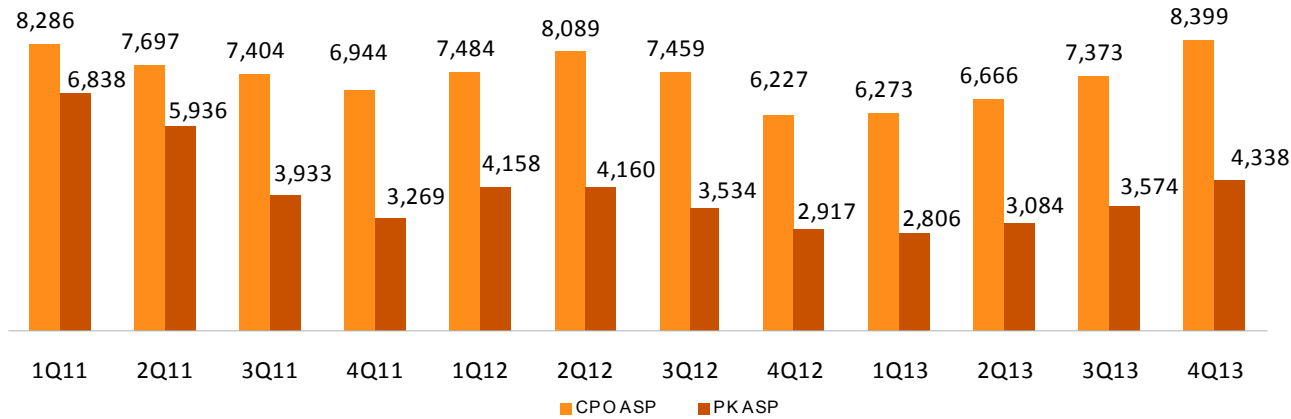


Edible Oils & Fats

FY13 YoY : (2%)
 4Q13 YoY : 3%
 4Q13 QoQ : (1%)

CPO, PK and Rubber Average Selling Price (ASP) Trend

Rp / kg **CPO and PK - ASP**



Growth

CPO

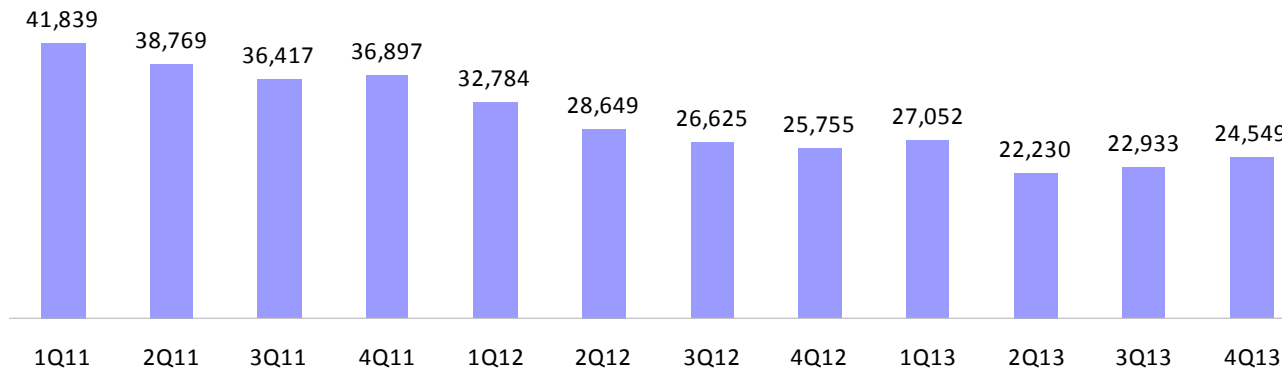
FY13 YoY : (2%)
4Q13 YoY : 35%
4Q13 QoQ : 14%

PK

FY13 YoY : (4%)
4Q13 YoY : 49%
4Q13 QoQ : 21%

Rubber - ASP

Rp / kg



Rubber

FY13 YoY : (15%)
4Q13 YoY : (5%)
4Q13 QoQ : 7%

Financial Summary

In Rp Bn	FY13	FY12	YoY Growth	4Q13	4Q12	YoY Growth	3Q13	QoQ Growth
Sales	13,280	13,845	(4%)	3,749	3,324	13%	3,076	22%
EBITDA*	2,614	3,245	(19%)	1,040	645	61%	728	43%
<i>EBITDA %</i>	20%	23%		28%	19%		24%	
Operating profit**	1,631	2,675	(39%)	769	502	53%	379	103%
<i>Operating profit %</i>	12%	19%		21%	15%		12%	
Gain/(loss) arising from changes in FV of biological assets	62	56	11%	62	56	11%	-	
Net profit	959	1,868	(49%)	556	344	62%	182	206%
<i>Net profit %</i>	7%	13%		15%	10%		6%	
Attributable profit	550	1,082	(49%)	255	194	32%	123	107%
<i>Attributable profit %</i>	4%	8%		7%	6%		4%	
Attributable profit exclude biological assets gain/(loss)	503	1,084	(54%)	207	196	6%	-	
<i>Attributable profit exclude biological assets gain/(loss) %</i>	4%	8%		6%	6%		-	
EPS (fully diluted) - Rp	385	753	(49%)	178	135	32%	86	107%

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

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

Segmental Results

In Rp Bn	FY13	FY12	YoY Growth	4Q13	4Q12	YoY Growth	3Q13	QoQ Growth
<u>Sales</u>								
Plantations	8,450	8,388	1%	2,737	1,966	39%	2,042	34%
Edible Oil & Fats	8,627	9,561	(10%)	2,269	2,135	6%	2,186	4%
Elimination & Adjustments	(3,798)	(4,105)	(7%)	(1,257)	(777)	62%	(1,152)	9%
Total	13,280	13,845	(4%)	3,749	3,324	13%	3,076	22%
<u>EBITDA</u>								
Plantations	2,263	2,600	(13%)	1,088	348	213%	620	75%
<i>EBITDA %</i>	<i>27%</i>	<i>31%</i>		<i>40%</i>	<i>18%</i>		<i>30%</i>	
Edible Oil & Fats	393	515	(24%)	25	166	(85%)	61	(59%)
<i>EBITDA %</i>	<i>5%</i>	<i>5%</i>		<i>1%</i>	<i>8%</i>		<i>3%</i>	
Elimination & Adjustments ⁽¹⁾	(59)	109	n/m	(90)	109	n/m	47	n/m
Sub-total	2,614	3,245	(19%)	1,040	645	61%	728	43%
Net Forex Gains/(Losses)	(201)	19	n/m	(108)	2	n/m	(89)	n/m
Total	2,413	3,242	(26%)	932	647	44%	640	46%

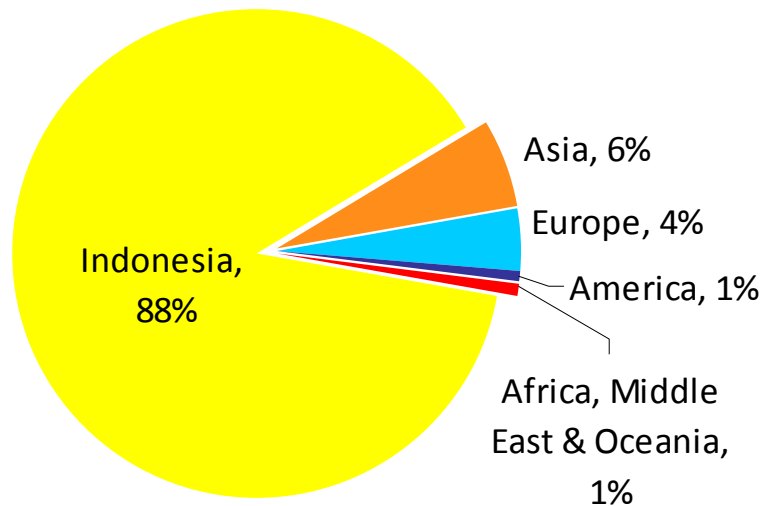
(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment and regional office costs

- Plantations reported strong revenue and EBITDA in 4Q13. But FY13 EBITDA down due to lower ASP for key plantation crops and branded edible oil product; and higher production costs from rising wages and newly matured plantations.
- EBITDA for EOF down in 4Q yoy on higher raw material costs (i.e. CPO), but EBITDA stayed at 5% in FY13.

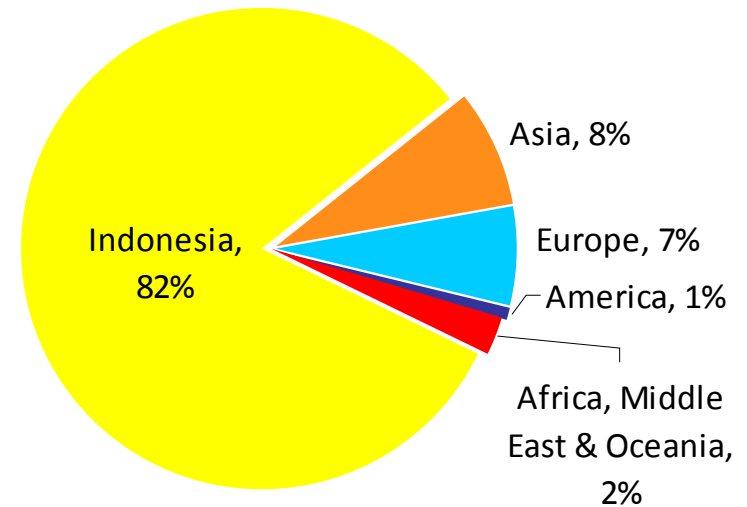
External Revenue Breakdown

By Geographical Location

FY13



FY12



- Indonesia remained our dominant market with 88% 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.
- Exports to Asia mainly comprised of edible oil products and rubber.

Financial Position

Balance Sheet (In Rp Bn)	31-Dec-13	31-Dec-12
TOTAL ASSETS	37,705	34,811
TOTAL LIABILITIES	14,872	12,293
Interest Bearing Debt	8,795	6,780
TOTAL EQUITY*	22,833	22,518
Net Debt / EBITDA Ratio (Annualised)	1.91x	0.52x
Net Debt / Total Equity Ratio	0.22x	0.08x
Net Assets Value per Share (in Rupiah)	9,883	9,503

Cash Flow (In Rp Bn)	FY13	FY12
Net Cash Flow from Operating Activities	2,166	2,809
Net Cash Flow from Investing Activities **	(4,830)	(3,477)
Net Cash Flow from Financing Activities	1,119	(884)
Net Increase (Decrease) in Cash & Cash Equivalents	(1,545)	(1,552)
Net Effect of Changes in Forex	266	99,227
Sub-total	(1,279)	97,675
Cash & Cash Equivalent - Beginning	5,082	6,535
Cash & Cash Equivalent - Ending	3,803	5,082

* Total equity includes shareholders funds and minority interests.

** In FY13 – Acquisition/ investment Rp1.3 trillion, purchases of fixed assets Rp3.4 trillion. In FY12 - purchases of fixed assets Rp3.0 trillion

Section 3

Strategies and Expansion



Strategies and Expansion – Achieved in 2013

- Achieved new planting for nucleus oil palm of 9,791 hectares
- New acquisitions
 - Mar 2013: acquired a 79.7% stake in MPM, which owns the SAL Group that holds industrial forest plantation concessions of 73,330 hectares in East Kalimantan
 - Jun 2013: acquired a 50% stake in CMAA, the Group's first overseas investment into the sugar, ethanol and co-generation industry in Brazil
 - Dec 2013: formed FPNRL, a 70% : 30% JV between First Pacific and IndoAgri, to invest 34% in Roxas, the largest integrated sugar business in Philippines.
- Expansion of milling facilities
 - Completed one 80MT/hour new mill in South Sumatra in Q4 2013 and one 45MT/hour new mill in East Kalimantan due for completion in Q1 2014
 - Expanding two existing mills, one in West Kalimantan from 40 MT/hour to 80 MT/hour completed in Dec 2013 and the other in South Sumatra from 40 MT/hour to 60 MT/hour in 3Q 2014
 - Constructing of 150MT/day PKO plant in Riau due for completion in Q1 2014
- Strengthened brand identity and loyalty of edible oils products
 - Rejuvenated its core product, Bimoli with new packaging designs
 - Introduced industrial and consumer margarine under the Palmia brand
 - Introduced 250ml and 500ml pillow pack to cater for low budget segment
- In Sep 2013, set up a S\$500 million Euro Medium Term Note Programme
- In Nov 2013, published the Group's first sustainability report

Strategies and Expansion – 2014

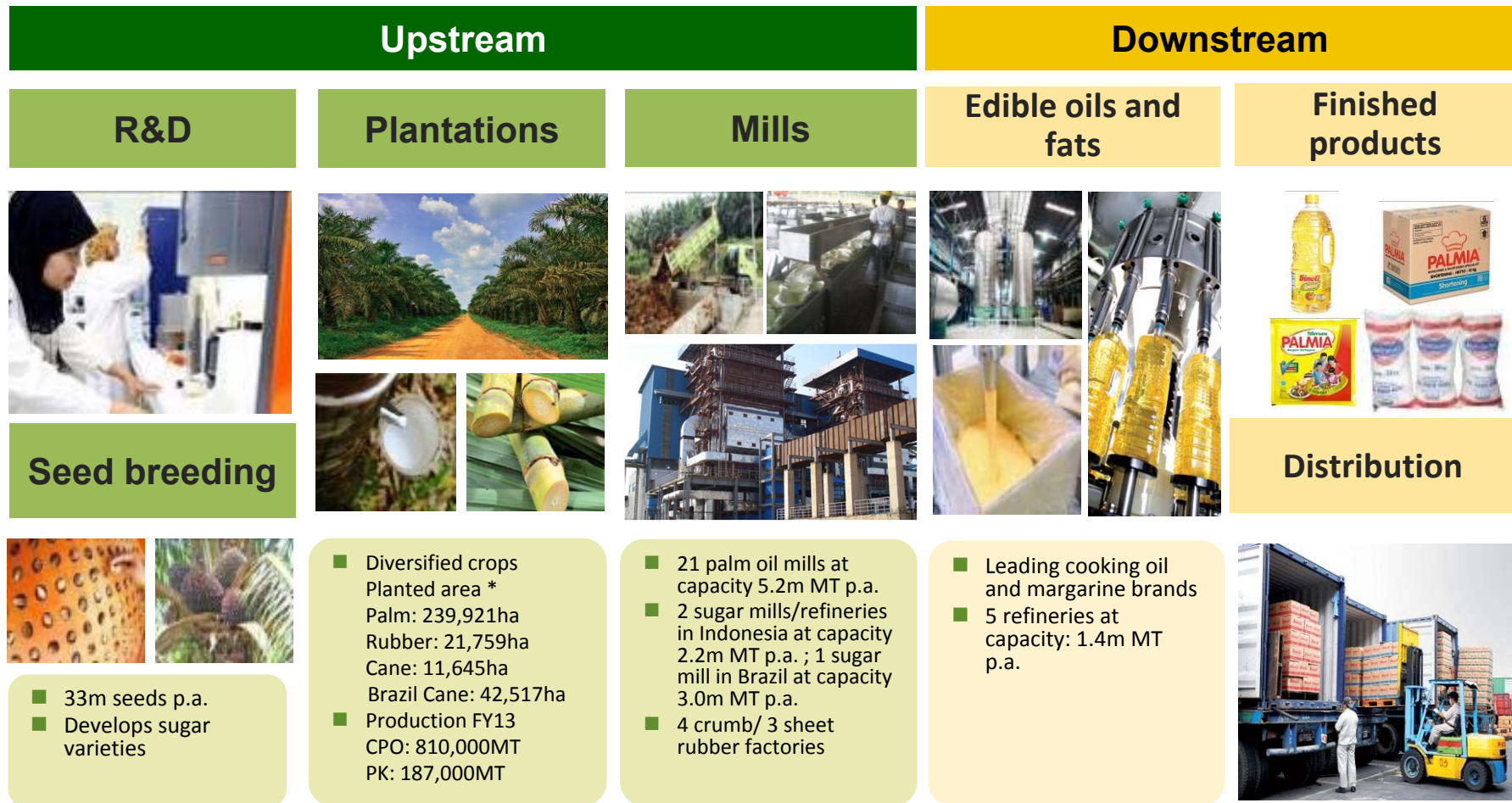
- Focus organic expansion on new plantings of oil palm and sugar plantations
- Expansion of CPO production capacity - two 45MT/hour new mills in Kalimantan due for completion in 2015
- CMAA will be expanding its cane crushing capacity from 3.0 million tonnes per annum to 3.8 million tonnes per annum in April 2014
- Expansion of margarine production capacity by constructing a 200 MT/day margarine plant at Tanjung Priok in 2014

Section 4 Appendix



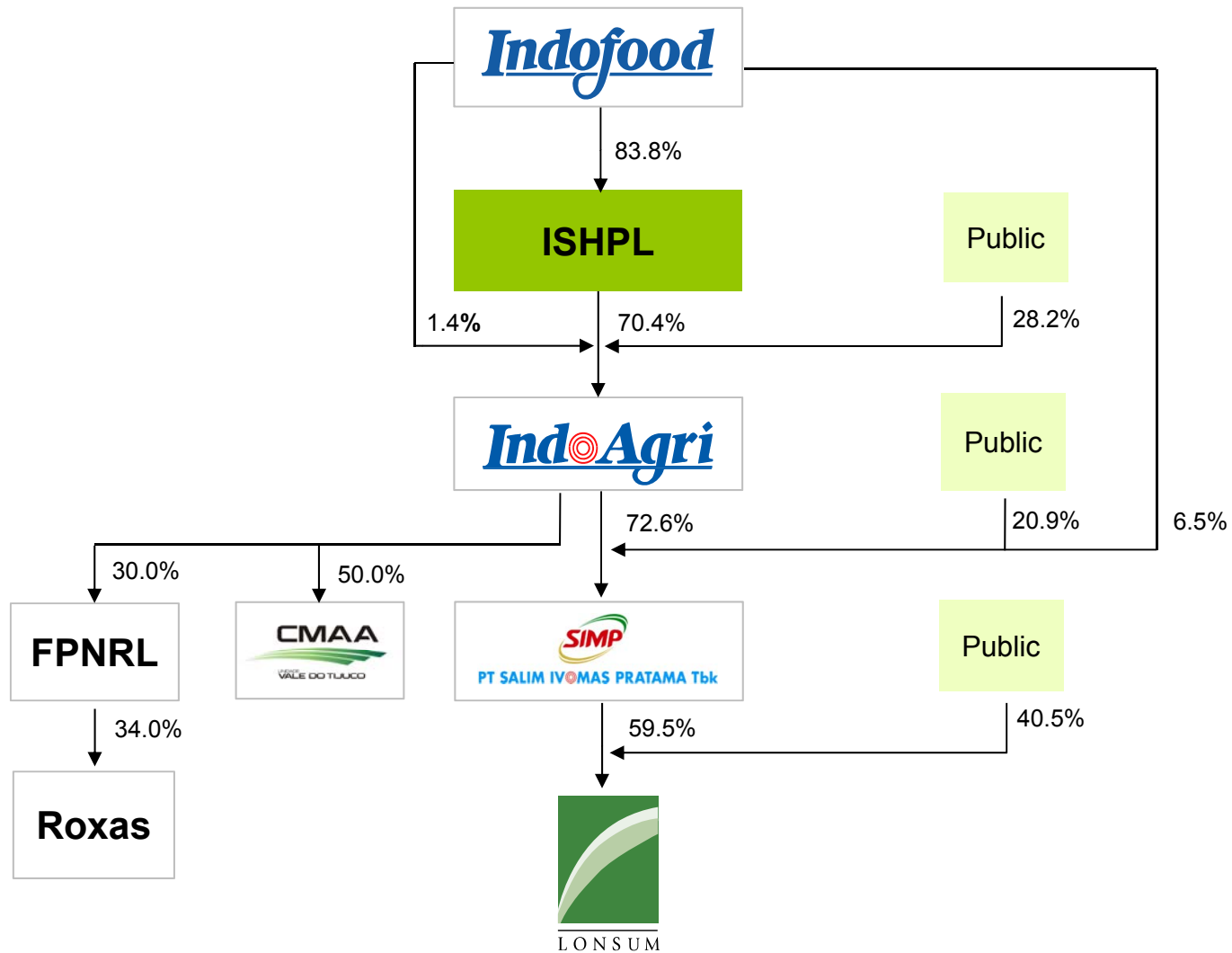
Diversified and Integrated Agribusiness Group with Leading Brands

Capturing value across the entire supply chain



* As of 31 Dec 2013

Corporate Structure



Note:

Based on total number issued shares, excluding the following shares held in treasury :

- IndoAgri : 30,500,000
- SIMP : 126,410,500
- Lonsum : 2,900,000

Strategically Located Operations Spanning the Entire Supply Chain



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	10	2,916,000	-	-	-	-	2	2,160,000	5	1,425,000
Lonsum	11	2,295,000	4	42,720	3	11,100	-	-	-	-
CMAA - Brazil	-	-	-	-	-	-	1	3,000,000	-	-
Group	21	5,211,000	4	42,720	3	11,100	3	5,960,000	5	1,425,000

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