



IND@FOOD AGRI RESOURCES Ltd.

Company Presentation – 4Q and FY 2015 Results

26 Feb 2016

Presentation Outline

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2 **Financial Highlights**

3 **Strategies and Expansion**

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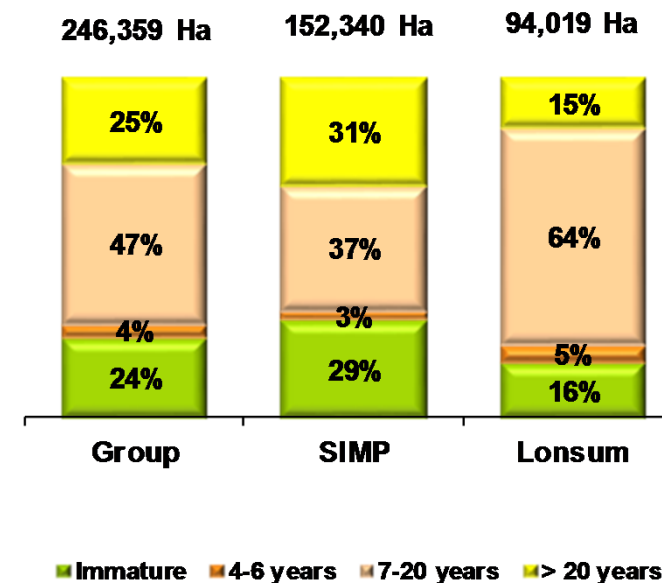


Section 1 Plantation Highlights

Planted Area

In Ha	31 Dec 2015	31 Dec 2014	Change
Indonesia			
Planted Area	300,633	300,050	583
Planted Oil Palm⁽¹⁾	246,359	246,055	304 ⁽²⁾
- SIMP	152,340	153,921	(1,581)
- Lonsum	94,019	92,135	1,884
Planted Other crops	54,274	53,995	279
Rubber	21,338	21,697	(359)
- SIMP	4,409	4,409	-
- Lonsum	16,929	17,288	(359)
Sugar cane - SIMP	13,358	13,062	296 ⁽³⁾
Industrial timber - SIMP	16,216	16,169	47
Others - SIMP & Lonsum ⁽⁴⁾	3,362	3,067	295
Brazil			
Sugar cane - CMAA	52,843	47,554	5,289
- Company-owned	25,567	24,292	1,275
- Third party	27,276	23,262	4,014

Oil Palm Average Age ≈ 14 years



(1) As at 31 Dec 2015, the Group has ≈ 87,057 Ha of planted oil palm plasma area. Where 965 Ha were new planting in FY15.

(2) FY15 oil palm new plantings were 1,641 Ha vs. 6,350 Ha in FY14. Mature area increased by 5,722 Ha in FY15.

(3) Land under preparation for cane planting 334 Ha.

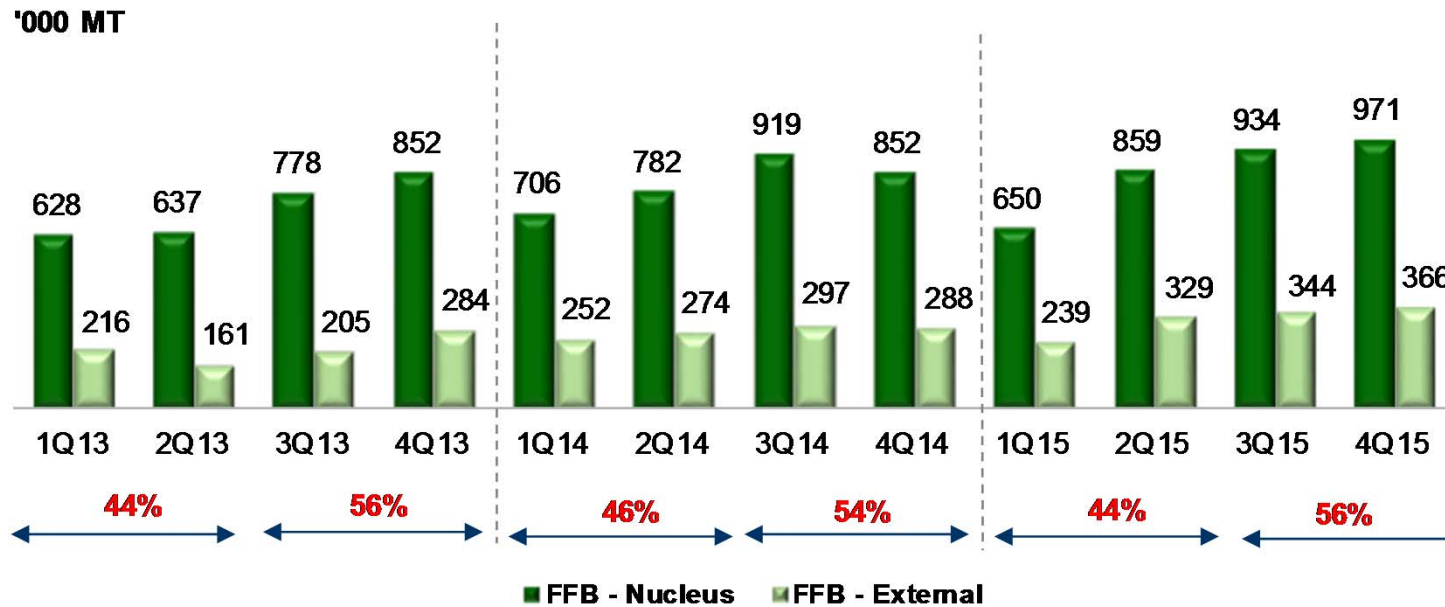
(4) Mainly cocoa and tea

Oil Palm Plantation Highlights

		FY15	FY14	YoY Growth	4Q15	4Q14	YoY Growth	3Q15	QoQ Growth
PRODUCTION									
Mature Area	(Ha)	187,400	185,181	1%	187,400	185,181	1%	188,423	(1%)
FFB	('000 MT)	4,693	4,372	7%	1,337	1,140	17%	1,278	5%
- Nucleus	('000 MT)	3,414	3,259	5%	971	852	14%	934	4%
- External	('000 MT)	1,279	1,112	15%	366	288	27%	344	6%
CPO	('000 MT)	1,002	956	5%	283	249	14%	275	3%
PK, PKO, PKE	('000 MT)	278	241	16%	81	68	20%	74	10%
PRODUCTIVITY									
FFB Yield – Nucleus	(MT/Ha)	18.2	17.6	↑	5.2	4.6	↑	5.0	↑
CPO Yield – Nucleus	(MT/Ha)	4.0	3.9	↑	1.1	1.0	↑	1.1	↔
CPO Extraction Rate	(%)	22.2	22.4	↓	22.1	22.5	↓	22.1	↔
PK Extraction Rate	(%)	5.2	5.1	↑	5.3	5.2	↑	5.2	↑

Oil Palm Production Trends

FFB Production



Growth

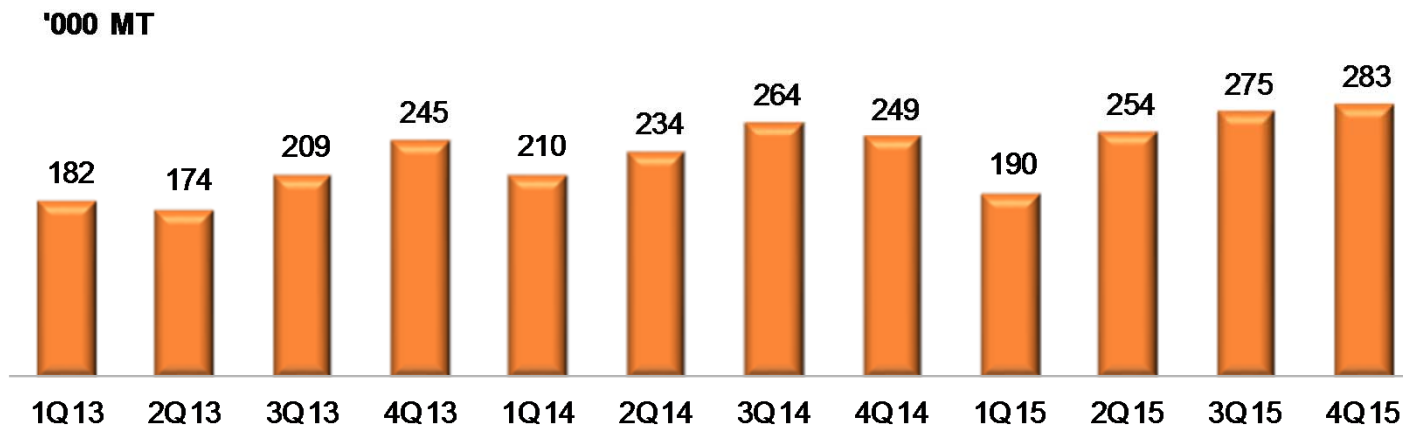
FFB - Nucleus

FY15 YoY : 5%
 4Q15 YoY : 14%
 4Q15 QoQ : 4%

FFB - External

FY15 YoY : 15%
 4Q15 YoY : 27%
 4Q15 QoQ : 6%

CPO Production



CPO

FY15 YoY : 5%
 4Q15 YoY : 14%
 4Q15 QoQ : 3%

Sugar Plantation Highlights

INDONESIA	FY15	FY14	YoY Growth	4Q15	4Q14	YoY Growth	3Q15	QoQ Growth
Planted Area (Ha)	13,358	13,062	2%	13,358	13,062	2%	12,761	5%
Sugar Cane Harvested ('000 MT) ⁽¹⁾	746	701	6%	32	0	n/m	418	(92%)
Sugar Production ('000 MT)	68	66	2%	4	3	12%	44	(92%)
- South Sumatra Plantation	58	54	9%	3	0	n/m	37	(92%)
- Java (LPI's share)	10	13	(25%)	1	3	(84%)	7	(93%)

BRAZIL	Apr 15- Dec 15	Apr 14- Dec 14	YoY Growth
Planted Area (Ha) ⁽²⁾	52,843	47,754	11%
Sugar Cane Harvested ('000 MT)	3,703	3,511	5%
Raw Sugar Production ('000 MT)	237	224	6%
Ethanol ('000 M ³)	149	145	3%

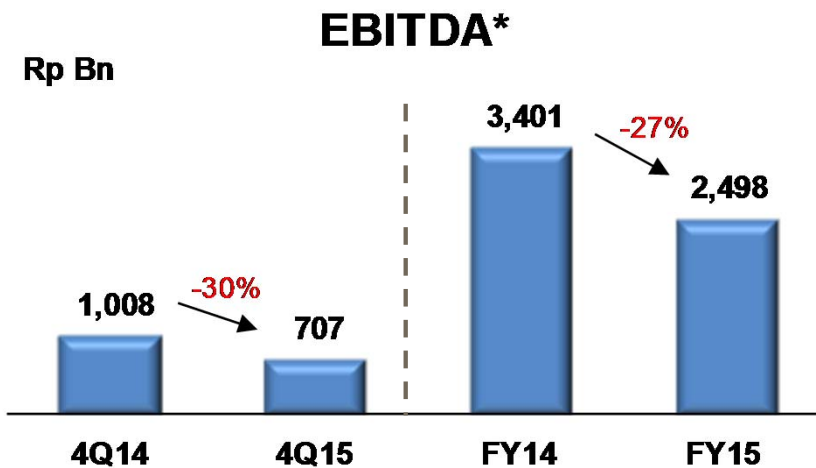
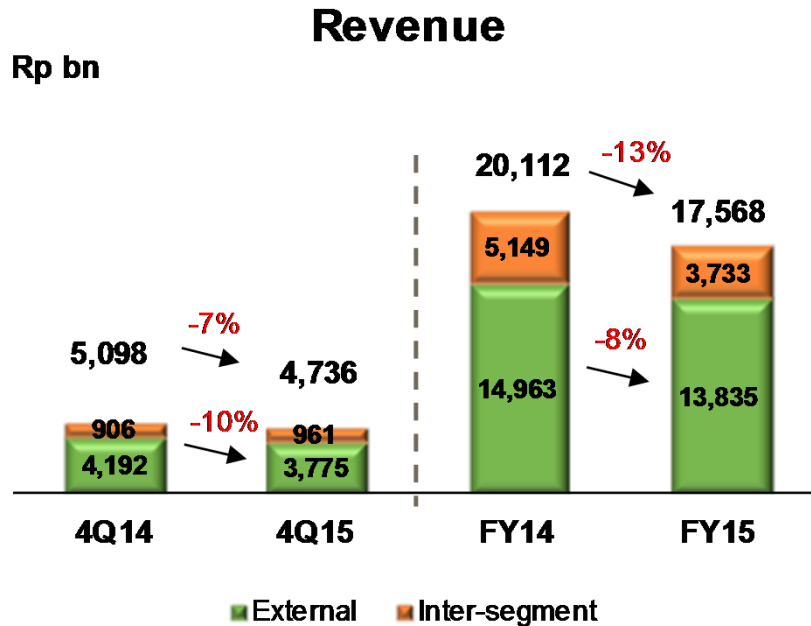
(1) Harvested cane related to Komering sugar cane plantation

(2) Of the 52,843 Ha planted sugar cane, 48% owned by CMAA and 52% contracted 3rd party farmers



Section 2 Financial Highlights

Results Summary



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

Financial Highlights

- It has been a challenging year as lower commodity prices and the weakened Indonesian Rupiah have affected negatively our results.
- 4Q15 revenue down 10% yoy on lower revenue contribution from both divisions. FY15 down 8% yoy on lower edible oil sales, partially offset by higher external sales from the Plantation Division.
- The Group recovered from last quarter's loss to a profit in 4Q15 on higher sales volume of palm products and a reversal of forex losses. However FY15 results remained soft on lower commodity prices, forex losses and share of losses in CMAA.
- EBITDA down 30% and 27% yoy in 4Q15 and FY15 on lower commodity prices and higher share of losses in CMAA.
- Core net profit* declined 58% and 60% yoy in 4Q15 and FY15, respectively.

Operational Highlights

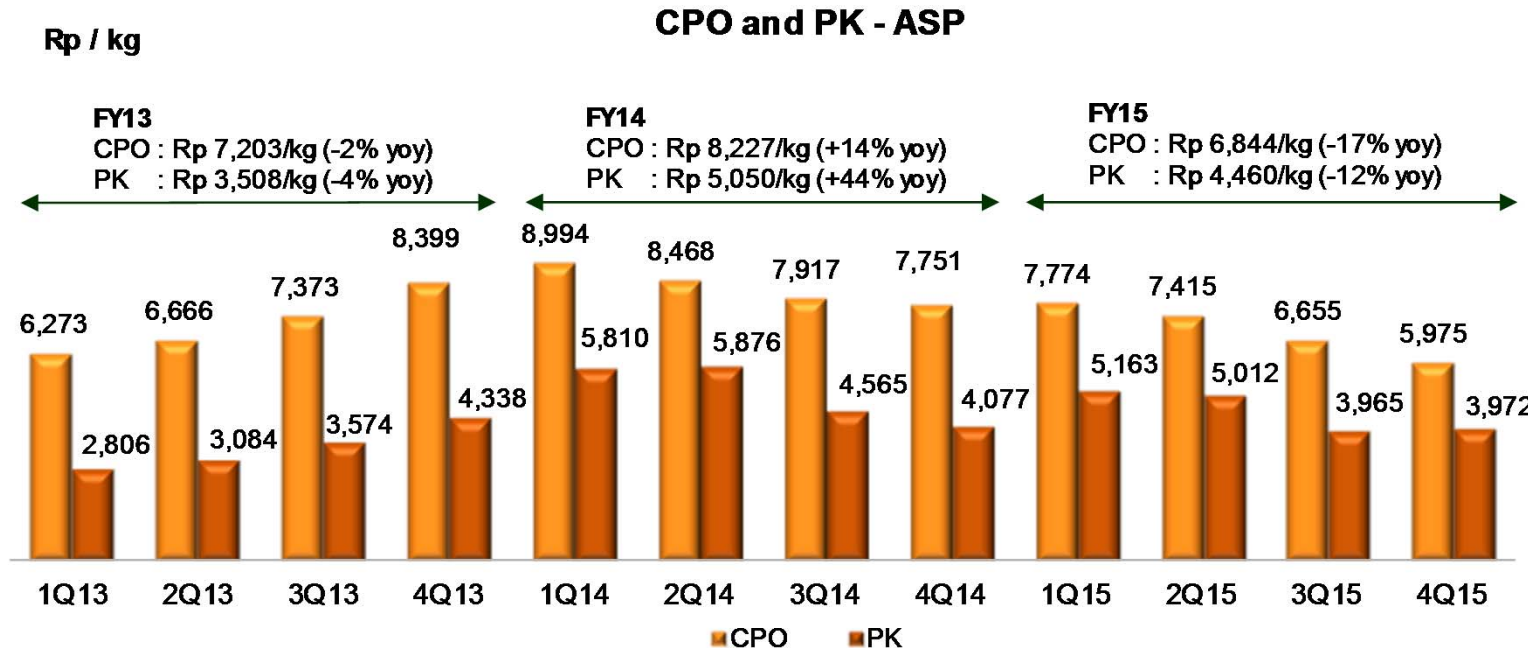
- Achieved an impressive 4Q15 FFB nucleus and CPO production growth of 14% yoy
- Positive production growth for FY15 with FFB nucleus production at 3,414,000 tonnes, up 5% yoy
- In line with this, CPO production came in 5% yoy at 1,002,000 tonnes

Sales Volume

In '000 MT	FY15	FY14	YoY Growth	4Q15	4Q14	YoY Growth	3Q15	QoQ Growth
Plantation								
CPO*	982	957	3%	309	288	7%	239	29%
PK, PKO, PKE	230	215	7%	69	58	19%	59	18%
Sugar	67	73	(9%)	24	16	50%	27	(10%)
Rubber	16.1	16.0	0%	3.8	4.5	(14%)	3.7	2%
Oil Palm Seeds ('million)	10.4	9.2	13%	3.2	3.3	(3%)	2.7	19%

* Before elimination of inter-segment sales

Average Selling Price (ASP) Trend



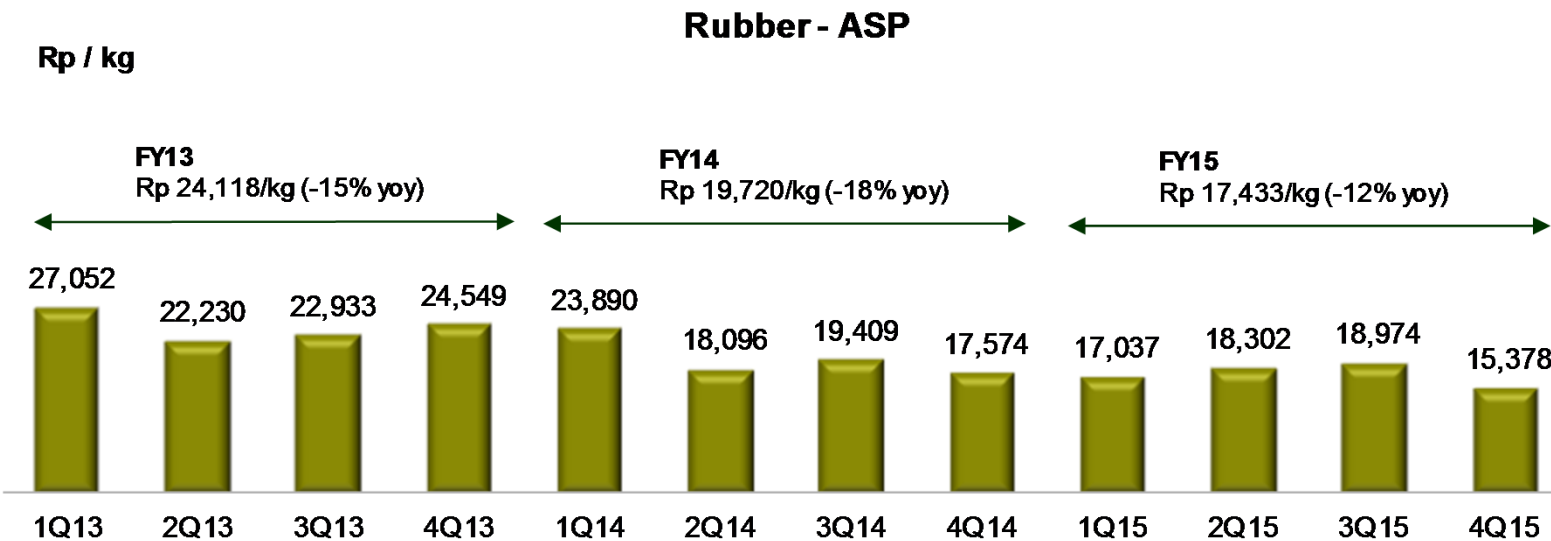
Growth

CPO

FY15 YoY : (17%)
4Q15 YoY : (23%)
4Q15 QoQ : (10%)

PK

FY15 YoY : (12%)
4Q15 YoY : (3%)
4Q15 QoQ : 0%



Rubber

FY15 YoY : (12%)
4Q15 YoY : (12%)
4Q15 QoQ : (19%)

Financial Summary

In Rp Bn	FY15	FY14	YoY Growth	4Q15	4Q14	YoY Growth	3Q15	QoQ Growth
Sales	13,835	14,963	(8%)	3,775	4,192	(10%)	3,268	16%
EBITDA ⁽¹⁾	2,498	3,401	(27%)	707	1,008	(30%)	646	9%
Operating profit ⁽²⁾	1,271	2,477	(49%)	690	781	(12%)	36	n/m
Gain (loss) arising from changes in FV of biological assets	(20)	60	n/m	(20)	60	n/m	-	
Net profit after tax	299	1,328	(77%)	310	404	(23%)	(138)	n/m
Core net profit ⁽¹⁾	555	1,373	(60%)	168	401	(58%)	129	31%
Attributable profit	58	759	(92%)	175	225	(23%)	(154)	n/m
EPS (fully diluted) - Rp	41	535	(92%)	125	159	(21%)	(110)	n/m
EBITDA margin	18%	23%	↓	19%	24%	↓	20%	↓
Operating profit margin	9%	17%	↓	18%	19%	↓	1%	↑
Net profit margin	2%	9%	↓	8%	10%	↓	(4%)	↑
Attributable profit margin	0%	5%	↓	5%	5%	↔	(5%)	↑

(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

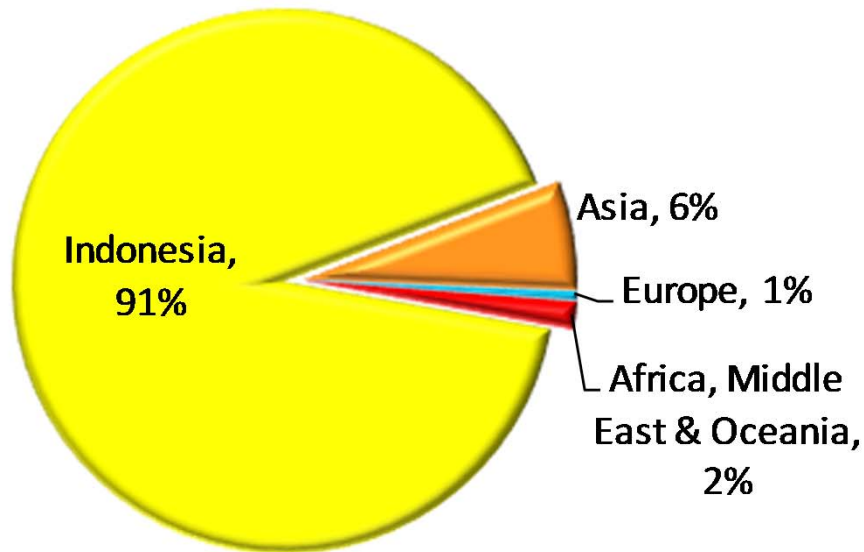
In Rp Bn	FY15	FY14	YoY Growth	4Q15	4Q14	YoY Growth	3Q15	QoQ Growth
Sales								
Plantations	9,149	10,278	(11%)	2,560	2,833	(10%)	2,291	12%
Edible Oil & Fats	8,419	9,835	(14%)	2,176	2,266	(4%)	1,812	20%
Elimination & Adjustments	(3,733)	(5,149)	(28%)	(961)	(906)	6%	(834)	15%
Total	13,835	14,963	(8%)	3,775	4,192	(10%)	3,268	16%
EBITDA								
Plantations	2,428	3,212	(24%)	659	806	(18%)	700	(6%)
<i>EBITDA %</i>	27%	31%		26%	28%		31%	
Edible Oil & Fats	347	200	73%	93	68	37%	51	81%
<i>EBITDA %</i>	4%	2%		4%	3%		3%	
Share of results of associate companies & JV	(232)	(121)	n/m	(36)	(79)	53%	(64)	(44%)
Elimination & Adjustments ⁽¹⁾	(45)	110	n/m	(9)	213	n/m	(41)	n/m
Sub-total	2,498	3,401	(27%)	707	1,008	(30%)	646	9%
Net Forex Gains/(Losses)	(290)	(111)	n/m	192	(50)	n/m	(322)	n/m
Total	2,208	3,290	(33%)	899	958	(6%)	324	178%

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

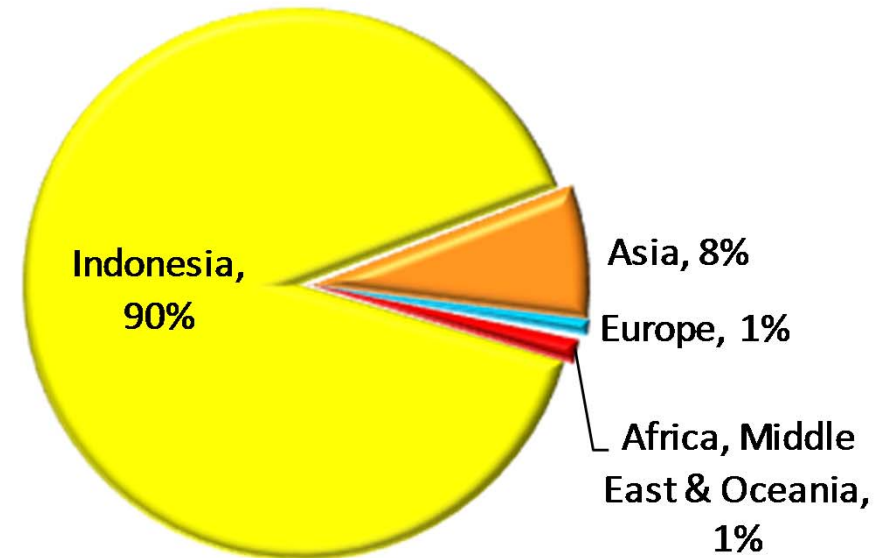
External Revenue Breakdown

By Geographical Location

FY15



FY14



- Indonesia remained our dominant market with 91% 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-Dec-15	31-Dec-14
TOTAL ASSETS	40,720	40,155
Cash	1,969	3,586
TOTAL LIABILITIES	16,474	16,437
Interest Bearing Debt	10,141	9,817
TOTAL EQUITY*	24,246	23,717
Net Debt / EBITDA Ratio	3.27x	1.83x
Net Debt / Total Equity Ratio	0.34x	0.26x
Net Assets Value per Share (in Rupiah)	10,309	10,322
Net Assets Value per Share (in SGD) **	1.06	1.10

Cash Flow (In Rp Bn)	FY15	FY14
Net Cash Flow generated from Operating Activities	1,718	2,783
Net Cash Flow used in Investing Activities	(3,354)	(3,707)
Net Cash Flow generated from Financing Activities	(28)	690
Net (Decrease)/Increase in Cash & Cash Equivalents	(1,664)	(234)
Net Effect of Changes in Forex	47	17
Sub-total	(1,616)	(217)
Cash & Cash Equivalent - Beginning	3,586	3,803
Cash & Cash Equivalent - Ending	1,969	3,586

* Total equity includes shareholders funds and minority interests

** Converted at Rp9,751/S\$1



Section 3 Strategies and Expansion

Key Achievements in 2015

- Organic growth through new plantings
 - ❑ Oil palm nucleus of 1,641 ha
 - ❑ Sugar cane of 449 ha in Indonesia and 5,289 in Brazil

- FFB and CPO production growth of 5% yoy

- Completed one new mill in Kalimantan of 45MT FFB/hour and expanded one mill in Kalimantan from 60MT FFB/hour to 80MT FFB/hour

- Started to build two new mills – 30MT FFB/hour in South Sumatra and 45MT FFB/hour in Kalimantan, target for completion in 2016

- CMAA Brazil cane crushing achieved 98% capacity utilization

- Increased in RSPO and ISPO certified CPO production to 377k MT and 180k MT

- Expansion of downstream facilities
 - ❑ Expanding of Surabaya refinery by 1,000MT/day, expected completion in 2017
 - ❑ Completed a 200MT/day margarine plant at Tanjung Priok in 3Q 2015

- Introduced branded bulk oil and new innovative butter and garlic margarine

Key Strategies in 2016

- Prioritising capex on immature plantings and the expansion of milling facilities for organic growth
- Start to build a new mill of 45MT FFB/hour in Kalimantan
- Commence replanting of older palms in North Sumatra and Riau
- Focus on maximizing productivity, tighten control of costs and continually monitoring supply chain to improve efficiencies



Section 4 Appendix

Production Breakdown

		FY15	FY14	YoY Growth	4Q15	4Q14	YoY Growth	3Q15	QoQ Growth
PRODUCTION									
Mature Area		187,400	185,181	1%	187,400	185,181	1%	188,423	(1%)
- SIMP	(Ha)	108,744	108,529	0%	108,744	108,529	0%	109,767	(1%)
- Lonsum	(Ha)	78,656	76,652	3%	78,656	76,652	3%	78,656	0%
FFB		4,693	4,372	7%	1,337	1,140	17%	1,278	5%
- Nucleus		3,414	3,259	5%	971	852	14%	934	4%
- SIMP	('000 MT)	2,017	1,918	5%	573	522	10%	552	4%
- Lonsum	('000 MT)	1,397	1,341	4%	398	331	20%	382	4%
- External		1,279	1,112	15%	366	288	27%	344	6%
- SIMP	('000 MT)	657	567	16%	196	152	29%	176	11%
- Lonsum	('000 MT)	677	567	19%	178	148	20%	176	1%
CPO		1,002	956	5%	283	249	14%	275	3%
- SIMP	('000 MT)	526	513	3%	153	136	12%	147	4%
- Lonsum	('000 MT)	476	443	7%	130	112	16%	128	2%
PK, PKO, PKE*		278	241	16%	81	68	20%	74	10%
- SIMP	('000 MT)	155	131	18%	45	39	16%	41	10%
- Lonsum	('000 MT)	123	109	13%	36	28	26%	33	7%
PRODUCTIVITY									
FFB Yield – Nucleus	(MT/Ha)	18.2	17.6	↑	5.2	4.6	↑	5.0	↑
- SIMP	(MT/Ha)	18.6	17.7	↑	5.3	4.8	↑	5.0	↑
- Lonsum	(MT/Ha)	17.8	17.5	↑	5.1	4.3	↑	4.9	↑
CPO Yield – Nucleus	(MT/Ha)	4.0	3.9	↑	1.1	1.0	↑	1.1	↔
- SIMP	(MT/Ha)	4.0	3.8	↑	1.1	1.0	↑	1.1	↔
- Lonsum	(MT/Ha)	4.1	4.1	↔	1.2	1.0	↑	1.1	↑
CPO Extraction Rate	(%)	22.2	22.4	↓	22.1	22.5	↓	22.1	↔
- SIMP	(%)	21.5	21.7	↓	21.6	21.8	↓	21.5	↑
- Lonsum	(%)	22.9	23.2	↓	22.6	23.5	↓	22.9	↓
PK Extraction Rate	(%)	5.2	5.1	↑	5.3	5.2	↑	5.2	↑
- SIMP	(%)	4.6	4.6	↔	4.6	4.7	↓	4.5	↑
- Lonsum	(%)	6.0	5.7	↑	6.2	5.9	↑	6.0	↑

* Only SIMP produce PKO and PKE

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