

FOR IMMEDIATE RELEASE

## IndoAgri posts a positive set of results with 3Q14 net profit of Rp207 billion (S\$22 million)

### HIGHLIGHTS:

- 3Q14 revenue up 17% yoy on higher sales from all divisions
- Operating profit up 12% in 3Q14 on higher sales volume and average selling prices of palm products
- Net profit grew 14% yoy in 3Q14, contributed positively by Plantation Division
- Strong production growth for nucleus FFB and CPO in 9M14, up 18% and 25% yoy

**SINGAPORE – 30 October 2014** – SGX Main board-listed IndoAgri (the “Group”), a diversified and integrated agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, posted 3Q14 revenue of Rp3,602 billion (S\$385 million), up 17% yoy on recovery in average selling prices, as well as higher external sales from Edible Oils & Fats (“EOF”) Division. On year-to-date basis, revenue likewise came in higher on stronger sales from both divisions.

	Rp' billion						S\$' million <sup>1</sup>			
	3Q14	3Q13	Change %	9M14	9M13	Change %	3Q14	3Q13	9M14	9M13
<b>Revenue</b>	3,602	3,076	17.1	10,770	9,531	13.0	385	329	1,151	1,019
Gross profit	916	836	9.6	3,041	2,012	51.1	98	89	325	215
Gross margin (%)	25.4%	27.2%		28.2%	21.1%		25.4%	27.2%	28.2%	21.1%
<b>EBITDA <sup>2</sup></b>	737	728	1.3	2,393	1,574	52.0	79	78	256	168
EBITDA margin (%)	20.5%	23.7%		22.2%	16.5%		20.5%	23.7%	22.2%	16.5%
Profit from operations	424	379	11.9	1,696	862	96.8	45	40	181	92
Profit before taxation	279	279	(0.1)	1,311	608	115.5	30	30	140	65
Net profit after tax	207	182	13.5	924	402	129.5	22	19	99	43
<b>Attributable profit</b>	125	123	1.6	533	296	80.4	13	13	57	32
EPS (fully diluted) - Rp/S\$ cents	88	86	2.3	376	206	82.5	0.9	0.9	4.0	2.2

<sup>1</sup> Income Statement and Balance Sheet items are converted at exchange rates of Rp9,355/S\$1 and Rp9,585/S\$1, respectively

<sup>2</sup> Earnings before interests and tax expense, depreciation and amortisation, and gain/loss from changes in fair value of biological assets and foreign exchange gains.

Operating profit increased 12% yoy in 3Q14 on strong profit contribution from Plantation Division, reflecting principally higher sales volume and average selling prices (“ASP”) of palm products. However, the increase was partly offset by higher operating expenses during the quarter. On year-to-date basis, Plantation Division likewise contributed positively to the Group’s operating profit growth of 97%.

The Group’s net profit after tax came in higher in 3Q14 and 9M14, increasing 14% and 130% over the comparative periods in 2013 on higher operating profit, but partly offset by higher financial expenses.

***“The Group achieved another positive set of 3Q14 results on higher sales volume and ASP of palm products. Our EOF Division reported a 19% revenue growth in 9M14 over the same period last year. The stronger sales was attributable to higher average selling prices for edible oil products and higher sales volume of cooking oil and margarine. We continued to deliver strong palm production in 9M14 with FFB nucleus production of 2,407,000 tonnes, up 18% yoy on higher production from South Sumatra and Kalimantan. While CPO production grew 25% yoy to 707,000 tonnes arising from higher nucleus production as well as higher purchases of FFB from external parties. Our higher FFB and CPO production from our own estates, results from the investments we have made in the previous years in new planting. As of 30<sup>th</sup> September 2014, we still have 58,406 ha of immature oil palm planted, ensuring continued volume growth in the future.”***, commented Mr Mark Wakeford, CEO and Executive Director.

## **INDUSTRY OUTLOOK AND FUTURE PLANS**

Average CPO prices (CIF Rotterdam) declined 14% from US\$895 per tonne in 1H2014 to US\$767 in 3Q2014. Higher seasonal palm oil production in the second half of the year and the anticipation of bumper soybean crops from the United States and South America have put significant pressure on commodity prices. On year-to-date basis, the average CPO price was US\$853 per tonne compared to an average of US\$857 in 2013. On a positive note, demand for palm oil remained resilient supported by competitive CPO prices versus other competing vegetable oils. We also expect the domestic demand for palm oil in Indonesia will remain strong given its vast and growing population base of over 240 million people.

Rubber prices (RSS3 SICOM) continues to sustain pressure on higher rubber production coming from Thailand and Indonesia. Rubber prices fell 17% in 2013 and a further 30% since the beginning of the year to an average of US\$2,069 per tonne in 9M2014 compared to an average of US\$2,795 per tonne in 2013. According to a leading agriculture research firm, LMC International, rubber production is expected to slow down as producers have responded to lower prices by reducing their tapping frequency. The focus of demand growth will be driven by the tyre industry in the emerging markets.

Indonesia remains a net importer of sugar. The domestic sugar price in Indonesia is above the international market as the government operates a strict import quota system for sugar, controlling imports when domestic prices fall below the government-mandated floor price which was increased to Rp8,500 per kilogram in August 2014. Moving forward, we expect that the direction for global sugar prices will be strongly influenced by production levels in Brazil, Thailand and India, together with the Brazilian government policies on ethanol.

--The End ---

## **ABOUT INDOAGRI**

**Indofood Agri Resources Ltd. (“IndoAgri”)** is a diversified and integrated agribusiness group with principal business operations that range from research and development, breeding and cultivation of oil palms, to the milling and refining of crude palm oil, and the marketing and distribution of cooking oil, margarine, shortening and other derivative products. The Group also engages in the cultivation of other crops such as rubber, sugar cane, cocoa and tea.

As of end September 2014, IndoAgri has 296,839 hectares planted with oil palm, rubber, sugar cane, cocoa and tea.

*For more information please visit our website at: [www.indofoodagri.com](http://www.indofoodagri.com).*