a subsidiary of:

FOR IMMEDIATE RELEASE

IndoAgri posted a weak 3Q18 result due to soft commodity prices and increase in CPO stock

HIGHLIGHTS:

- **Achieved strong FFB nucleus and CPO production recovery in 3Q18, up 14% and 20% yoy.**
- **Posted a weak 3Q18 due to lower sales and profit contributions from Plantation Division. This was partly offset by a solid EOF Division performance.**
- **Weak plantation results were due to lower sales volume of palm products due to timing in shipment and soft commodity prices.**
- **CPO stocks at end September were 131,000 tonnes, an increase of 55,000 tonnes during the quarter.**
- **Expanding our footprint in Brazil with the investment in 3rd mill, Vale do Pontal.**

SINGAPORE – 31 October 2018 – SGX Mainboard-listed IndoAgri (the "**Group**"), a diversified and integrated from agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, reported weak 3Q18 and 9M18 results with net loss after tax of Rp18 billion and Rp65 billion, respectively. The poor performance was mainly due to the fall in sales and profit in Plantation Division arising from weak commodity prices and increase in CPO stock. The decline was partly offset by a strong 3Q result at Edible Oils & Fats (EOF) Division. The Group's performance was further affected by forex impacts due to weakening of Rupiah currency.

	Rp' billion						S$' million [1]			
	3Q18	3Q17	▲%	9M18	9M17	▲%	3Q18	3Q17	9M18	9M17
Revenue	**3,706**	**3,685**	**1**	**10,262**	**12,160**	**(16)**	**352**	**350**	**974**	**1,155**
Gross profit	624	718	(13)	1,801	2,393	(25)	59	68	171	227
Gross margin (%)	*16.8%*	*19.5%*		*17.5%*	*19.7%*		*16.8%*	*19.5%*	*17.5*	*19.7%*
EBITDA [2]	**723**	**788**	**(8)**	**1,892**	**2,454**	**(23)**	**69**	**75**	**180**	**233**
EBITDA margin (%)	*19.5%*	*21.4%*		*18.4%*	*20.2%*		*19.5%*	*21.4%*	*18.4%*	*20.2%*
Net (loss)/profit after tax	(18)	114	n/m	(65)	522	n/m	(2)	11	(6)	50
Core net profit after tax [3]	**23**	**102**	**(77)**	**96**	**572**	**(83)**	**2**	**10**	**9**	**54**
Attributable profit	**9**	**101**	**(91)**	**(10)**	**370**	**n/m**	**1**	**10**	**(1)**	**35**
EPS (fully diluted) - Rp/S$ cents	6	72	n/m	(7)	265	n/m	0.1	0.7	(0.1)	2.5

n.m. denotes "Not Meaningful"

[1] Income Statement and Balance Sheet items are converted at exchange rates of Rp10,531/S$1 and Rp10,919 /S$1, respectively
[2] Earnings before interests and tax expense, depreciation and amortisation, the effects of foreign exchange and changes in fair value of biological assets
[3] Earnings before the accounting for the effects of foreign exchange, changes in the fair value of biological assets and changes in amortised cost of plasma receivables

INDOFOOD AGRI RESOURCES Ltd.

8 Eu Tong Sen Street
#16-96/97 The Central
Singapore 059818
Company Registration No. 200106551G

Tel. +65 6557 2389
Fax. +65 6557 2387
www.indofoodagri.com

Plantation Division's sales declined 11% in 3Q18 and 20% in 9M18 due to lower average selling prices of agriculture crops, and lower sales volume of CPO and palm kernel (PK) related products arising from timing in shipment. There was ~84,000 MT of CPO inventory build-up in 9M18 compared to ~27,000 MT of inventory drawdown in 9M17.

On a positive note, EOF Division reported a solid third quarter with sales increasing 24% over 3Q last year from higher sales volume of edible oil products. 9M18 EOF Division also performed better with revenue growing 3% over the same period last year. In line with the strong sales and lower CPO costs, EOF Division contributed positively to the Group's results.

The Group's 3Q18 and 9M18 gross profit declined 13% and 25% respectively mainly due to the effects of lower selling prices and sales volume of palm products, as well as higher palm production costs arising from wage inflation and higher fertilizer application.

The group reported net losses after tax of Rp18 billion in 3Q18 and Rp65 billion in 9M18 compared to profits in the comparative period in last year. Core net profit (excluding forex, biological assets and plasma receivables impacts) were Rp23 billion in 3Q18 and Rp96 billion in 9M18, declining around 80% over the same periods last year.

"Plantation Division reported second consecutive quarter of strong production recovery with fresh fruit bunches (FFB) nucleus and CPO increasing 14% and 20% over 3Q last year. Both 9M18 FFB nucleus and CPO production grew 6% over 9M17. The Group's performance was affected by weak plantation results, but this was partly offset by higher contribution from EOF Division.

In line with the increasing FFB production, we are expanding our milling capacity with one new 45 MT FFB/hour palm oil mill due for completion in 2019. The expansion of our refinery in Surabaya is completed and in operation, increasing the refinery capacity by 300,000 tonnes per annum.

We have acquired our third mill (Vale do Pontal) in July 2018, which has a crushing capacity of 2.5m MT of cane. The acquisition will enable CMAA to expand its footprint in the sugar and ethanol industry in Brazil with a total annual cane crushing capacity increasing from 5.8 million MT (CMAA plus Canapolis mill) to 8.3 million MT. All 3 mills are located in the state of Minas Gerais, and in close proximity to each other, forming a strong cluster enabling operating and management synergies." *commented Mr Mark Wakeford, CEO and Executive Director.*

INDUSTRY OUTLOOK AND FUTURE PLANS

The uncertainties surrounding global growth and China's trade tensions with the U.S. continue to put pressure on agricultural commodity prices. As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by a positive domestic economic outlook and large domestic palm consumption.

The domestic palm demand is expected to be further supported by the roll-out of B20 (20%) biodiesel blending in September 2018 to both Public Service Obligation (PSO) and non-PSO sector and the Indonesian government's intention to accelerate the implementation of B30 biodiesel program in 2019.

The Group will continue to strengthen the fundamentals and improve margins through better yielding crops, cost efficiencies and other innovations to improve productivity.

--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 2018, IndoAgri has 298,633 hectares planted with oil palm, rubber, sugar cane, timber, cocoa and tea in Indonesia.

For more information please visit our website at: www.indofoodagri.com.