



IND@FOOD AGRI RESOURCES Ltd.

Company Presentation – 2Q and 1H 2014 Results

30 July 2014

Ind@Agri

a subsidiary of:
Indofood
THE SYMBOL OF QUALITY FOODS

Presentation Outline

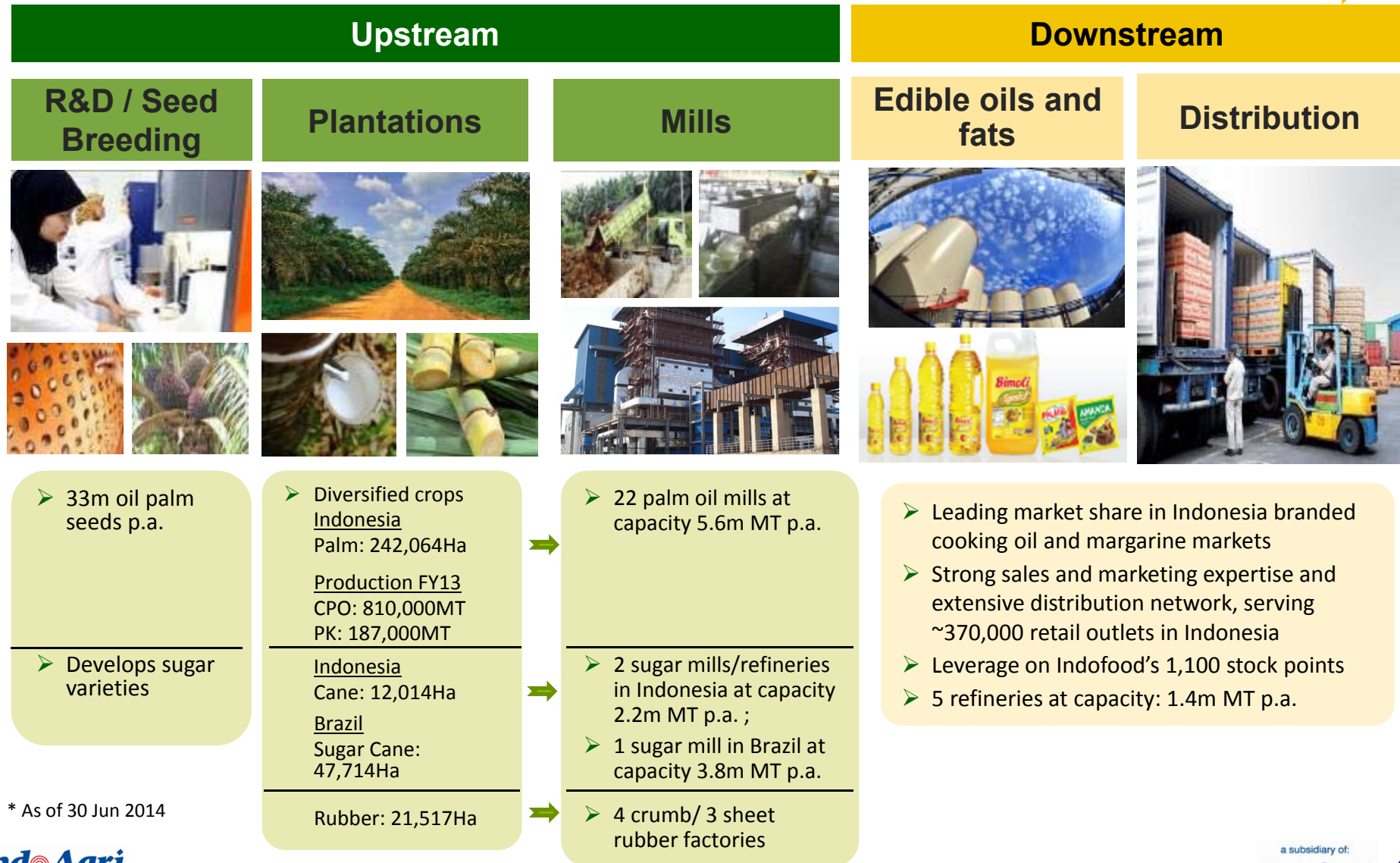
- 1 Business Overview**
- 2 Plantation Highlights**
- 3 Financial Highlights**
- 4 Strategies and Expansion**

Section 1 – Business Overview



Integrated and Diversified Agribusiness Group

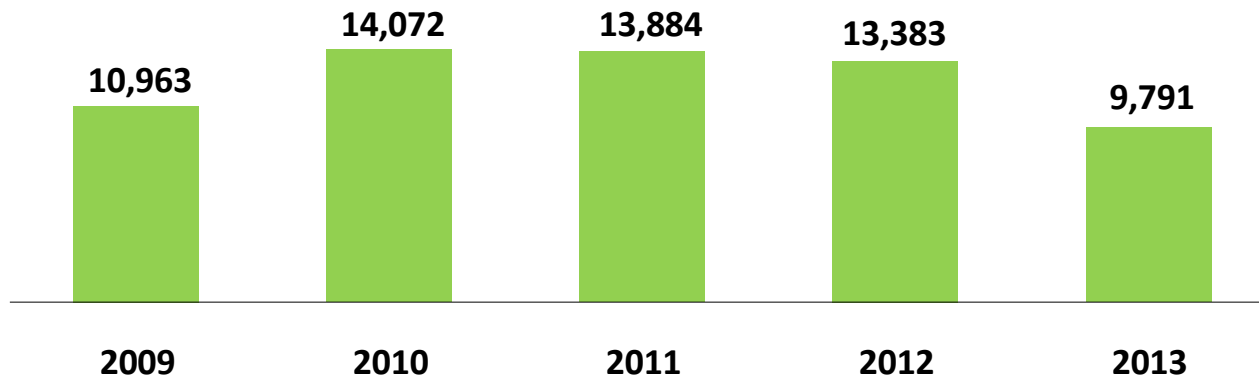
Capturing value across the entire supply chain



* As of 30 Jun 2014

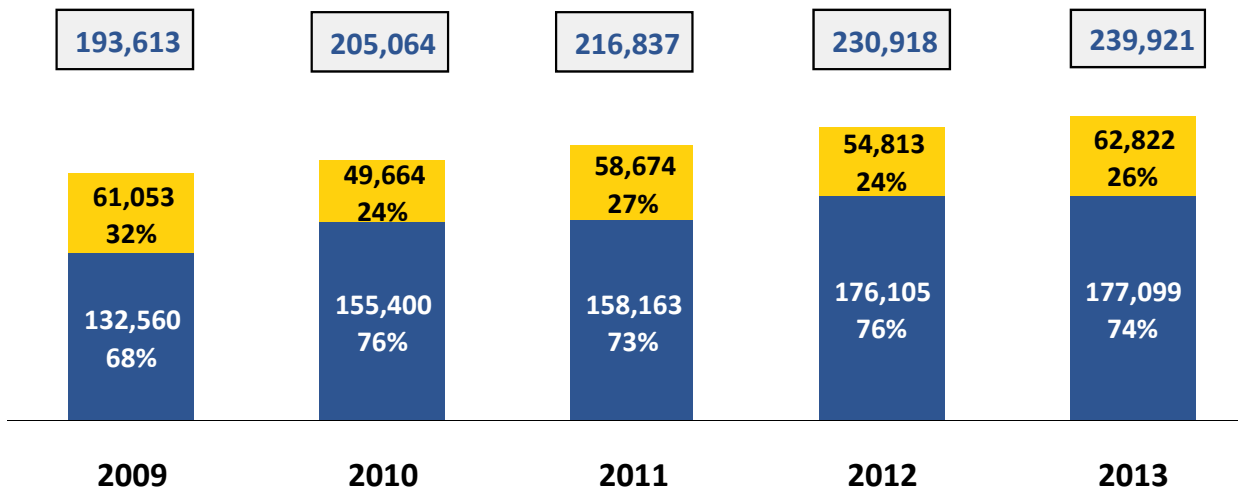
New Plantings ≈ 62,000 Ha in Last 5 Years (2009 – 2013)

in Ha Oil Palm New Planting - Nucleus



in Ha Oil Palm Planted Area - Nucleus

Total Nucleus Oil Palm Planted Area



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 June 2014, planted area was 47,714 Ha, of which 53% 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

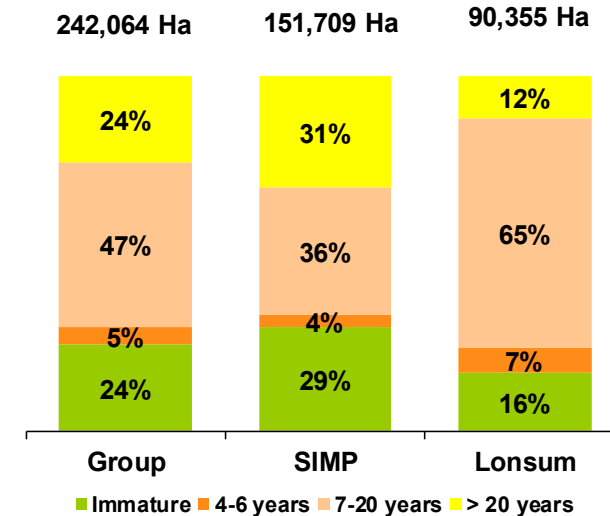
Section 2 – Plantation Highlights



Planted Area

In Ha	30 Jun 2014	31 Dec 2013	Change
Indonesia			
Planted Area	294,673	292,768	1,905
Planted Oil Palm⁽¹⁾	242,064	239,921	2,143
- SIMP	151,709	150,076	1,633
- Lonsum	90,355	89,845	510
Planted Other crops	52,609	52,847	(238)
Rubber	21,517	21,759	(242)
- SIMP	4,409	4,409	-
- Lonsum	17,108	17,350	(242)
Sugar cane - SIMP	12,014	11,645	369
Cocoa & tea - Lonsum	2,969	3,384	(414)
Industrial timber - SIMP	16,108	16,059	49
Brazil			
Sugar cane - CMAA	47,714	42,517	5,197
- Company-owned	25,348	20,755	4,593
- Third Party	22,366	21,762	604

Oil Palm Average Age ≈ 13 years



(1) As at 30 Jun 2014, the Group has ≈ 86,464 Ha of planted oil palm plasma area. Where 273 Ha were new planted in 1H14

(2) 1H14 new plantings for oil palm were 2,670 Ha vs. 3,158 Ha in 1H13

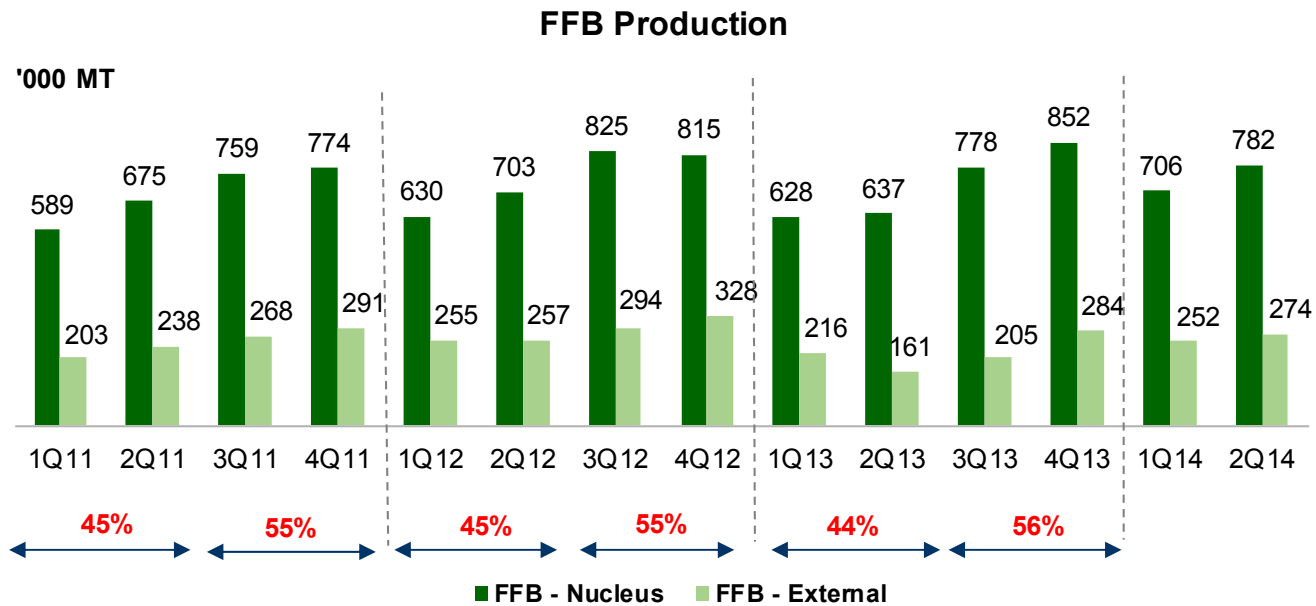
Mature area increased by 6,933 Ha in 1H14.

Oil Palm Plantation Highlights

		1H14	1H13	YoY Growth	2Q14	2Q13	YoY Growth	1Q14	QoQ Growth	FY13
PRODUCTION										
Mature Area	(Ha)	183,088	176,167	4%	183,088	176,167	4%	183,286	0%	177,099
FFB	('000 MT)	2,014	1,642	23%	1,056	798	32%	958	10%	3,761
- Nucleus	('000 MT)	1,488	1,265	18%	782	637	23%	706	11%	2,895
- External	('000 MT)	526	377	39%	274	161	70%	252	9%	866
CPO	('000 MT)	444	356	25%	234	174	34%	210	11%	810
PK	('000 MT)	100	82	21%	52	40	32%	47	11%	187
PRODUCTIVITY										
FFB Yield – Nucleus	(MT/Ha)	8.1	7.2	↑	4.3	3.6	↑	3.9	↑	16.3
CPO Yield – Nucleus	(MT/Ha)	1.8	1.6	↑	1.0	0.8	↑	0.9	↑	3.6
CPO Extraction Rate	(%)	22.5	22.2	↑	22.5	22.1	↑	22.5	↔	22.1
PK Extraction Rate	(%)	5.0	5.1	↓	5.0	5.1	↓	5.1	↓	5.1

➤ FFB nucleus production growth driven by higher production from South Sumatra and Kalimantan

Oil Palm Production Trends



Growth

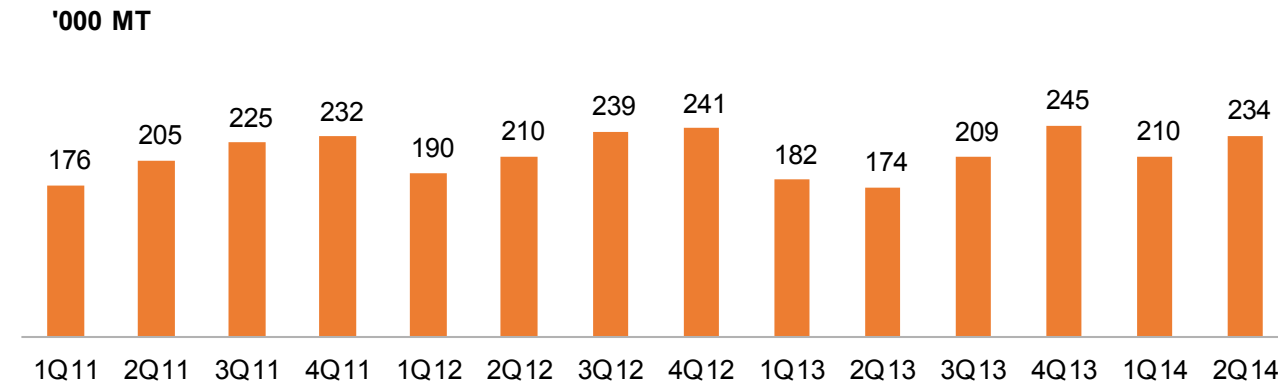
FFB - Nucleus

1H14 YoY : 18%
 2Q14 YoY : 23%
 2Q14 QoQ : 11%

FFB - External

1H14 YoY : 39%
 2Q14 YoY : 70%
 2Q14 QoQ : 9%

CPO Production



CPO

1H14 YoY : 25%
 2Q14 YoY : 34%
 2Q14 QoQ : 11%

Sugar Plantation Highlights

INDONESIA	1H14	1H13	YoY Growth	2Q14	2Q13	YoY Growth	FY13
Planted Area (Ha)	12,014	11,359	6%	12,014	11,359	6%	11,645
Sugar Cane Harvested ('000 MT) ⁽¹⁾	369	194	90%	369	194	90%	758
Sugar Production ('000 MT)	30	15	102%	30	15	102%	78
From sugar cane							
- South Sumatra Plantation	28	14	104%	28	14	104%	53
- Java (LPI's share)	2	1	82%	2	1	82%	9
From raw sugar	-	-		-	-		16

BRAZIL	Apr14 - Jun14	Apr13 - Jun13	Apr13 - Mar14
Planted Area (Ha) ⁽²⁾	47,714	41,496	45,600
Sugar Cane Harvested ('000 MT)	1,283	959	3,026
Raw Sugar Production ('000 MT)	58	51	187
Ethanol ('000 M ³)	52	39	137

➤ Sugar milling and harvesting season commences in April

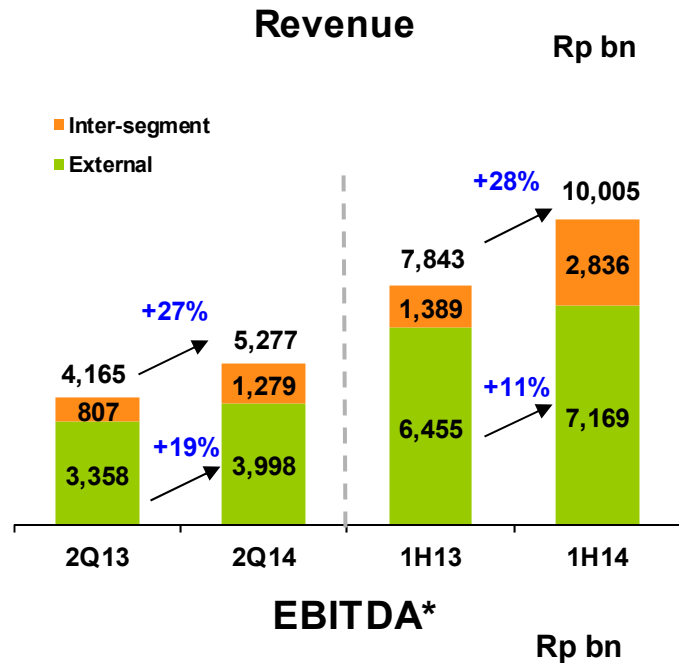
(1) Harvested cane related to Komering sugar cane plantation

(2) Of the 47,714 Ha planted sugar cane, 53% owned by CMAA and 47% contracted 3rd party farmers

Section 3 – Financials Highlights



Results Summary



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

Financial Highlights

- Achieved strong set of results in 2Q14 and 1H14 on strong recovery in commodity prices for palm products
- Total revenue (includes inter-segment sales) up 27% and 28% yoy in 2Q14 and 1H14, reflecting higher ASP for palm and edible oil product, as well as higher sales volume of PK, cooking oil and margarine
- EBITDA up 153% and 96% yoy in 2Q14 and 1H14 on strong profit contribution from Plantation Division
- Strong attributable profit in 2Q14 and 1H14, registering 240% and 135% yoy increase

Operational Highlights

- Strong FFB nucleus production of 1,488,000 tonnes in 1H14, up 18% yoy on higher production from South Sumatra and Kalimantan
- CPO production grew 25% to 444,000 tonnes arising from higher nucleus production and higher purchases of FFB from external parties

Sales Volume

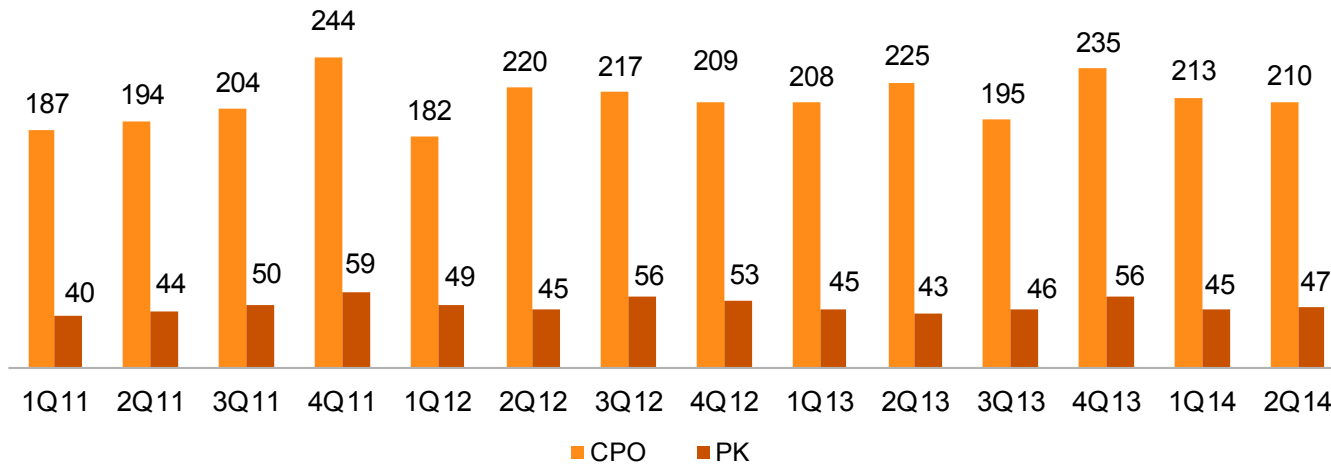
In '000 MT	1H14	1H13	YoY Growth	2Q14	2Q13	YoY Growth	1Q14	QoQ Growth	FY13
Plantation									
CPO	423	433	(3%)	210	225	(7%)	213	(2%)	864
Palm Kernel	92	88	4%	47	43	9%	45	4%	190
Sugar	24	20	21%	13	9	44%	10	27%	76
Rubber	7.9	7.6	5%	3.8	3.8	0%	4.1	(5%)	15.9
Oil Palm Seeds ('million)	3.4	11.2	(70%)	1.7	6.3	(73%)	1.7	(1%)	17.9
Edible Oils & Fats (EOF)									
Cooking Oil, Margarine and Coconut Oil	404	397	2%	215	215	0%	189	14%	790

- Despite higher production, CPO sales volume came in lower due to timing in shipment, leading to higher stock levels as of June 2014
- EOF reported positive volume growth in underlying branded products, but this was partly offset by lower coconut oil and bulk oil sales

Sales Volume Trend

CPO and PK - Sales Volume

'000 MT



Growth

CPO

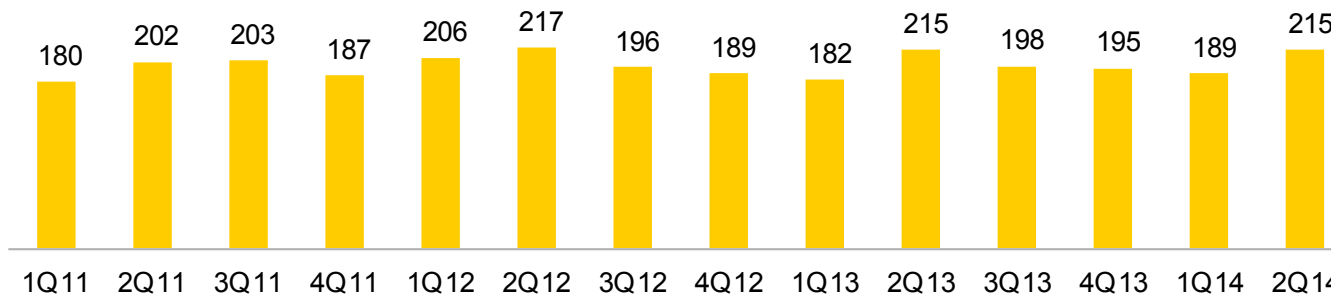
1H14 YoY : (3%)
 2Q14 YoY : (7%)
 2Q14 QoQ : (2%)

PK

1H14 YoY : 4%
 2Q14 YoY : 9%
 2Q14 QoQ : 4%

Edible Oils & Fats - Sales Volume

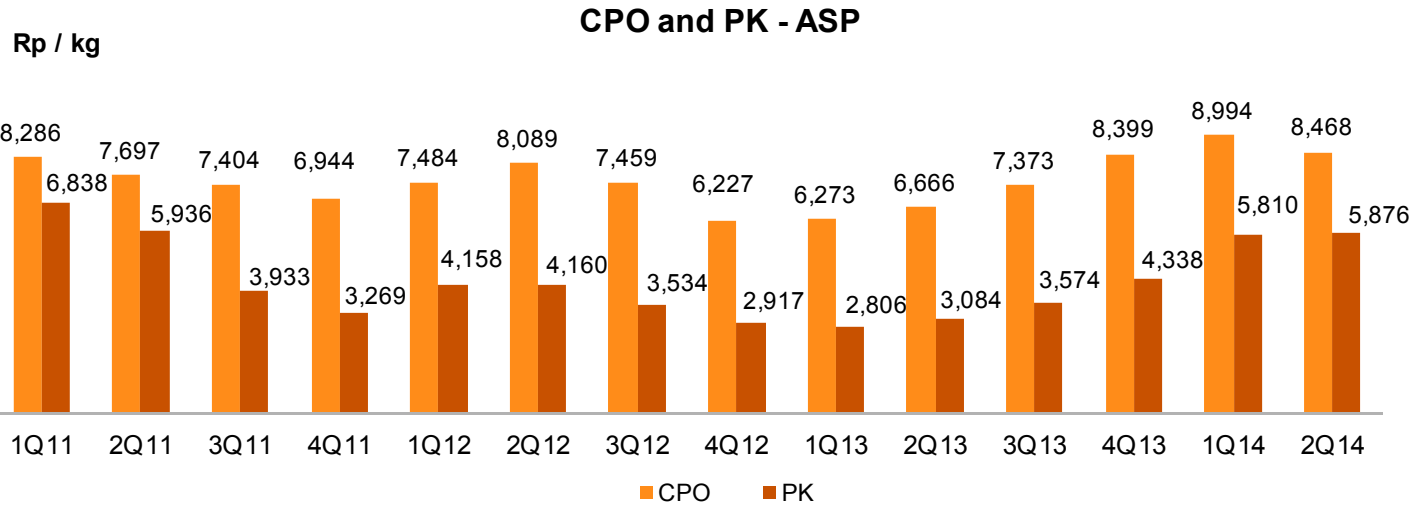
'000 MT



Edible Oils & Fats

1H14 YoY : 2%
 2Q14 YoY : 0%
 2Q14 QoQ : 14%

Average Selling Price (ASP) Trend



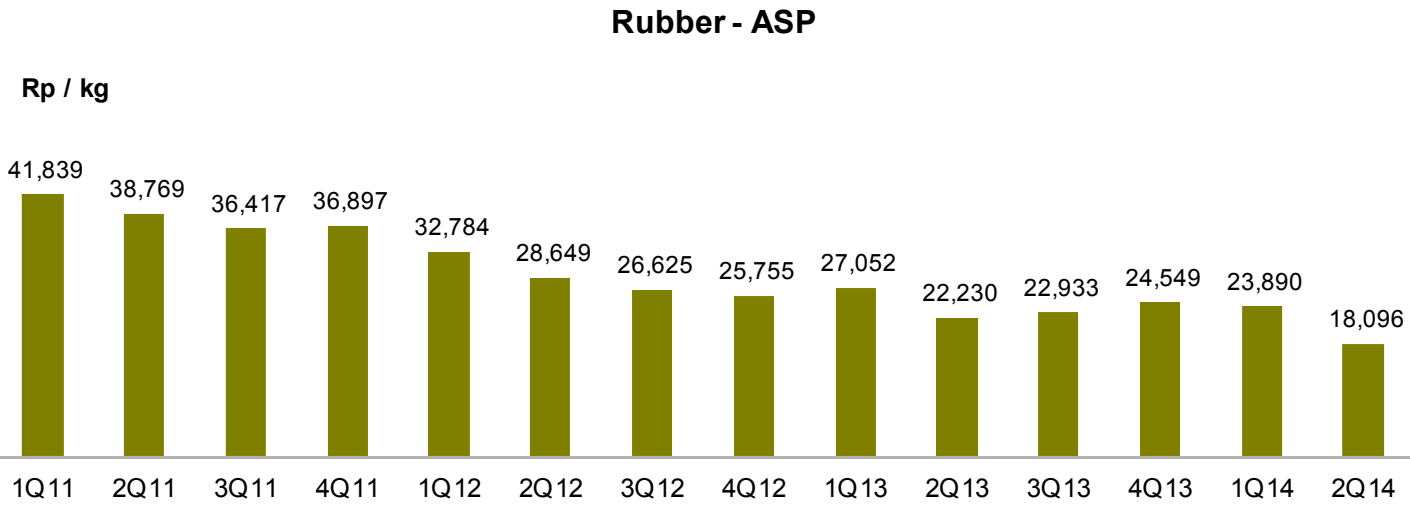
Growth

CPO

1H14 YoY : 35%
 2Q14 YoY : 27%
 2Q14 QoQ : (6%)

PK

1H14 YoY : 99%
 2Q14 YoY : 91%
 2Q14 QoQ : 1%



Rubber

1H14 YoY : (14%)
 2Q14 YoY : (19%)
 2Q14 QoQ : (24%)

Financial Summary

In Rp Bn	1H14	1H13	YoY Growth	2Q14	2Q13	YoY Growth	1Q14	QoQ Growth	FY13
Sales	7,169	6,455	11%	3,998	3,358	19%	3,171	26%	13,280
EBITDA*	1,656	846	96%	1,002	396	153%	654	53%	2,614
Operating profit**	1,272	483	163%	698	181	286%	574	22%	1,631
Net profit	717	220	226%	375	67	459%	342	10%	921
Attributable profit	406	173	135%	224	66	240%	182	23%	523
EPS (fully diluted) - Rp	286	120	138%	158	46	244%	128	23%	366
EBITDA margin	23%	13%	↑	25%	12%	↑	21%	↑	20%
Operating profit margin	18%	7%	↑	17%	5%	↑	18%	↓	12%
Net profit margin	10%	3%	↑	9%	2%	↑	11%	↓	7%
Attributable profit margin	6%	3%	↑	6%	2%	↑	6%	↔	4%

- The Group posted another consecutive quarter of strong results mainly attributable to strong contribution for the Plantation Division on higher commodity prices for palm products

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

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

Segmental Results

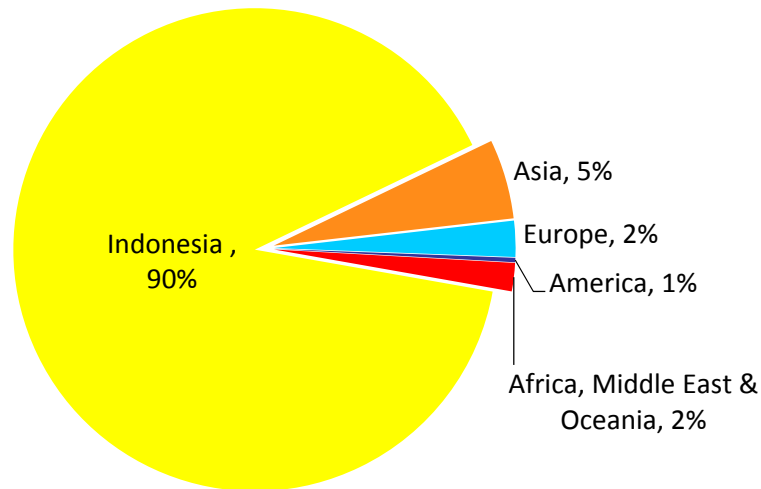
In Rp Bn	1H14	1H13	YoY Growth	2Q14	2Q13	YoY Growth	1Q14	YoY Growth	FY13
<u>Sales</u>									
Plantations	4,765	3,671	30%	2,332	1,927	21%	2,433	(4%)	8,450
Edible Oil & Fats	5,240	4,172	26%	2,945	2,237	32%	2,295	28%	8,627
Elimination & Adjustments	(2,836)	(1,388)	104%	(1,279)	(807)	59%	(1,557)	(18%)	(3,798)
Total	7,169	6,455	11%	3,998	3,358	19%	3,171	26%	13,280
<u>EBITDA</u>									
Plantations	1,523	554	175%	704	311	126%	819	(14%)	2,263
<i>EBITDA %</i>	32%	15%		30%	16%		34%		27%
Edible Oil & Fats	89	307	(71%)	96	106	(9%)	(7)	n/m	393
<i>EBITDA %</i>	2%	7%		3%	5%		0%		5%
Elimination & Adjustments ⁽¹⁾	44	(15)	n/m	201	(21)	n/m	(158)	n/m	(41)
Sub-total	1,656	846	96%	1,002	396	153%	654	53%	2,614
Net Forex Gains/(Losses)	(6)	(4)	n/m	(92)	(0)	n/m	86	n/m	(201)
Total	1,650	842	96%	910	396	130%	739	23%	2,414

(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment and regional office costs. The Group has unrealised profit of Rp134bn related to internal CPO stock at refineries in 1Q14, which subsequently realised in 2Q14 following the processing of the said CPO stock into finished products for sale to external parties.

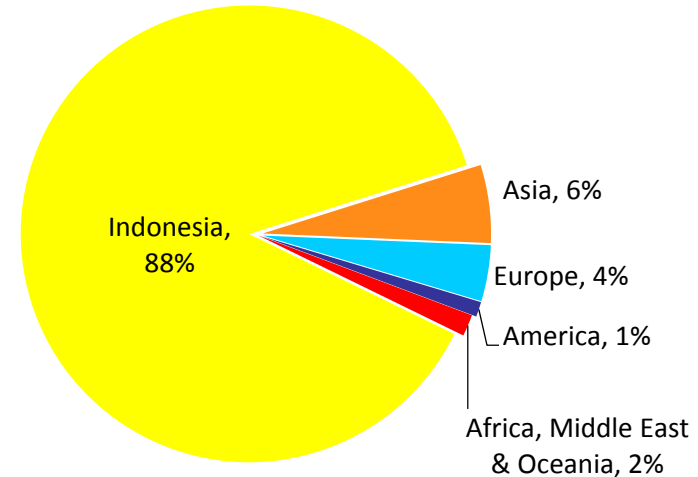
External Revenue Breakdown

By Geographical Location

1H14



1H13



- Indonesia remained our dominant market with 90% 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)	30-Jun-14	31-Dec-13
TOTAL ASSETS	40,369	37,705
Cash	3,950	3,803
TOTAL LIABILITIES	17,196	14,872
Interest Bearing Debt	10,264	8,795
TOTAL EQUITY*	23,173	22,833
Net Debt / EBITDA Ratio (Annualised)	1.91x	1.91x
Net Debt / Total Equity Ratio	0.27x	0.22x
Net Assets Value per Share (in Rupiah)	10,155	9,876
Net Assets Value per Share (in SGD) **	1.06	1.03

Cash Flow (In Rp Bn)	1H14	1H13
Net Cash Flow generated from Operating Activities	727	575
Net Cash Flow used in Investing Activities	(1,878)	(2,599)
Net Cash Flow generated from Financing Activities	1,313	880
Net Increase (Decrease) in Cash & Cash Equivalents	162	(1,144)
Net Effect of Changes in Forex	(15)	27
Sub-total	147	(1,117)
Cash & Cash Equivalent - Beginning	3,803	5,082
Cash & Cash Equivalent - Ending	3,950	3,965

* Total equity includes shareholders funds and minority interests

** Converted at Rp9,583/S\$1

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
 - ❑ Constructed a 150MT/day PKO plant in Riau in 1Q 2014
 - ❑ 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
 - ❑ 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

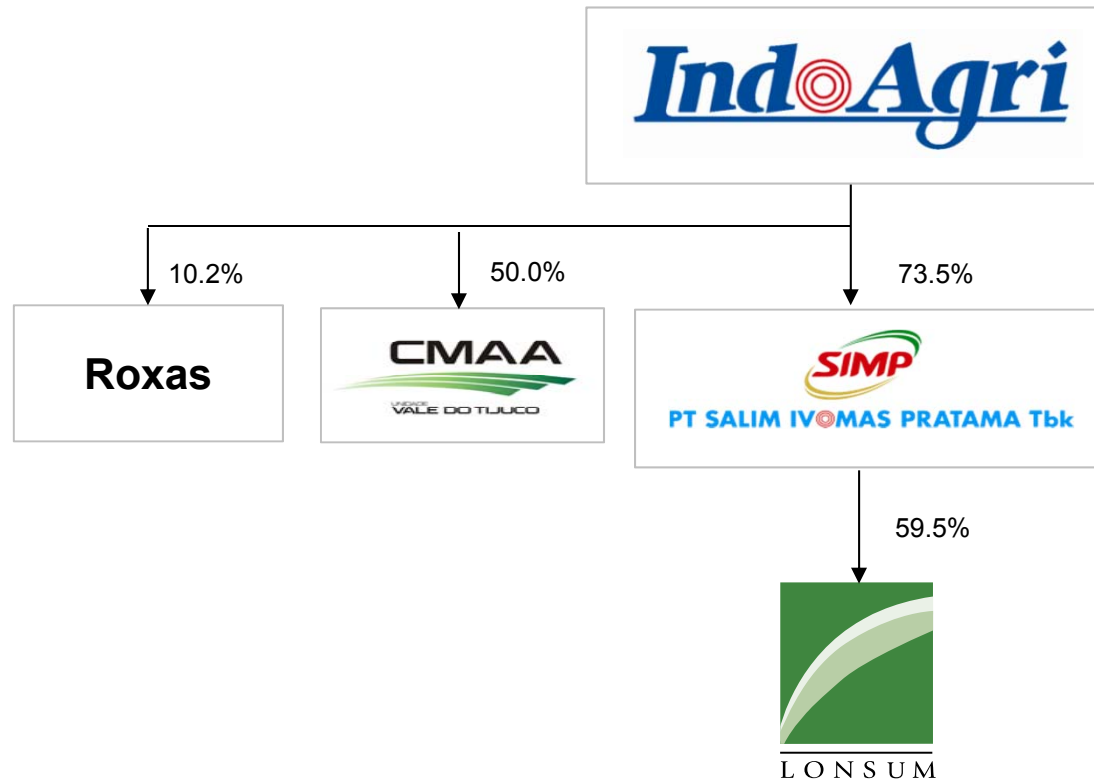
Outside Indonesia

- 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 30 June 2014
 - IndoAgri : 30,500,000
 - SIMP : 315,000,000
 - Lonsum : 2,900,000

Production Breakdown

		1H14	1H13	YoY Growth	2Q14	2Q13	YoY Growth	1Q14	QoQ Growth	FY13
PRODUCTION										
Mature Area		183,088	176,167	4%	183,088	176,167	4%	183,286	0%	177,099
- SIMP	(Ha)	107,459	101,175	6%	107,459	101,175	6%	107,443	0%	102,155
- Lonsum	(Ha)	75,629	74,992	1%	75,629	74,992	1%	75,844	0%	74,944
FFB		2,014	1,642	23%	1,056	798	32%	958	10%	3,761
- Nucleus		1,488	1,265	18%	782	637	23%	706	11%	2,895
- SIMP	('000 MT)	837	730	15%	440	372	18%	397	11%	1,644
- Lonsum	('000 MT)	651	536	22%	343	265	29%	308	11%	1,250
- External		526	377	39%	274	161	70%	252	9%	866
- SIMP	('000 MT)	270	204	33%	134	89	52%	136	-1%	454
- Lonsum	('000 MT)	264	204	29%	139	90	54%	125	12%	477
CPO		444	356	25%	234	174	34%	210	11%	810
- SIMP	('000 MT)	231	185	25%	122	92	33%	110	11%	414
- Lonsum	('000 MT)	212	171	24%	112	82	36%	100	11%	396
PK		100	82	21%	52	40	32%	47	11%	187
- SIMP	('000 MT)	48	42	14%	25	20	23%	23	9%	93
- Lonsum	('000 MT)	52	40	28%	27	20	40%	24	13%	94
PRODUCTIVITY										
FFB Yield – Nucleus		8.1	7.2	↑	4.3	3.6	↑	3.9	↑	16.3
- SIMP	(MT/Ha)	7.8	7.2	↑	4.1	3.7	↑	3.7	↑	16.1
- Lonsum	(MT/Ha)	8.6	7.1	↑	4.5	3.5	↑	4.1	↑	16.7
CPO Yield – Nucleus		1.8	1.6	↑	1.0	0.8	↑	0.9	↑	3.6
- SIMP	(MT/Ha)	1.7	1.5	↑	0.9	0.8	↑	0.8	↑	3.4
- Lonsum	(MT/Ha)	2.0	1.7	↑	1.1	0.8	↑	1.0	↑	3.9
CPO Extraction Rate		22.5	22.2	↑	22.5	22.1	↑	22.5	↔	22.1
- SIMP	(%)	21.9	21.4	↑	21.9	21.3	↑	21.9	↔	21.3
- Lonsum	(%)	23.2	23.1	↑	23.2	23.1	↑	23.2	↔	22.9
PK Extraction Rate		5.0	5.1	↓	5.0	5.1	↓	5.1	↓	5.1
- SIMP	(%)	4.5	4.9	↓	4.5	4.7	↓	4.6	↓	4.8
- Lonsum	(%)	5.6	5.4	↑	5.7	5.5	↑	5.6	↑	5.5

Contact Us

**Indofood Agri Resources Ltd.
8 Eu Tong Sen Street
#16-96/97 The Central
Singapore 059818
Tel: +65 6557 2389
Fax: +65 6557 2387**

www.indofoodagri.com

This presentation was prepared solely and exclusively for the parties presently being invited for the purpose of discussion. Neither this presentation nor any of its content may be reproduced, disclosed or used without the prior written consent of Indofood Agri Resources Ltd.

This presentation may contain statements that convey future oriented expectations which represent the Company's present views on the probable future events and financial plans. Such views are presented on the basis of current assumptions, are exposed to various risks, and are subject to considerable changes at any time. Presented assumptions are presumed correct at the, and based on the data available on the, date at which this presentation is assembled. The Company warrants no assurance that such outlook will, in part or as a whole, eventually be materialized. Actual results may diverge significantly from those projected.

© *Indofood Agri Resources Ltd. All rights reserved.*