

IND@FOOD AGRI RESOURCES Ltd.

Company Presentation

3Q and 9M 2016 Results

28 Oct 2016



a subsidiary of:

Presentation Outline

1 Plantation Highlights

2 Financial Highlights

3 Strategies and Expansion

4 Appendix

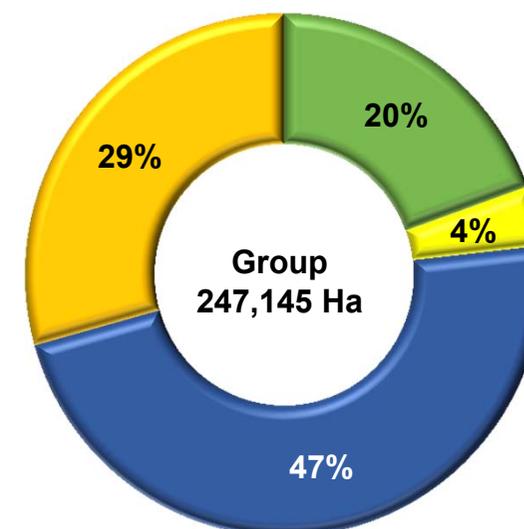
Plantation Highlights



Planted Area

In Ha	30 Sep 2016	31 Dec 2015	Change
Indonesia			
Planted Area	300,696	300,633	63
Planted Oil Palm⁽¹⁾	247,145	246,359	786 ⁽²⁾
- SIMP	152,866	152,340	526
- Lonsum	94,279	94,019	260
Planted Other crops	53,551	54,274	(723)
Rubber	20,130	21,338	(1,208) ⁽³⁾
- SIMP	3,634	4,409	(775)
- Lonsum	16,496	16,929	(433)
Sugar cane - SIMP	13,263	13,358	(95) ⁽⁴⁾
Others - timber, cocoa, tea	20,158	19,578	580
Brazil			
Sugar cane - CMAA	53,631	52,843	788
- Company-owned	26,502	25,567	935
- Third party	27,129	27,276	(147)

Oil Palm Average Age ≈ 15 years



■ Immature ■ 4-6 years
■ 7-20 years ■ > 20 years

(1) As at 30 Sep 2016, the Group has ≈ 87,102 Ha of planted oil palm plasma area. Where 133 Ha were new planting in 9M16.

(2) 9M16 oil palm new plantings were 812 Ha vs. 1,178 Ha in 9M15. Mature area increased by 11,929 Ha in 9M16.

(3) Reduction was mainly due to some conversion of rubber estates to oil palm and replanting in progress.

(4) Reduction was mainly due to replanting in progress.

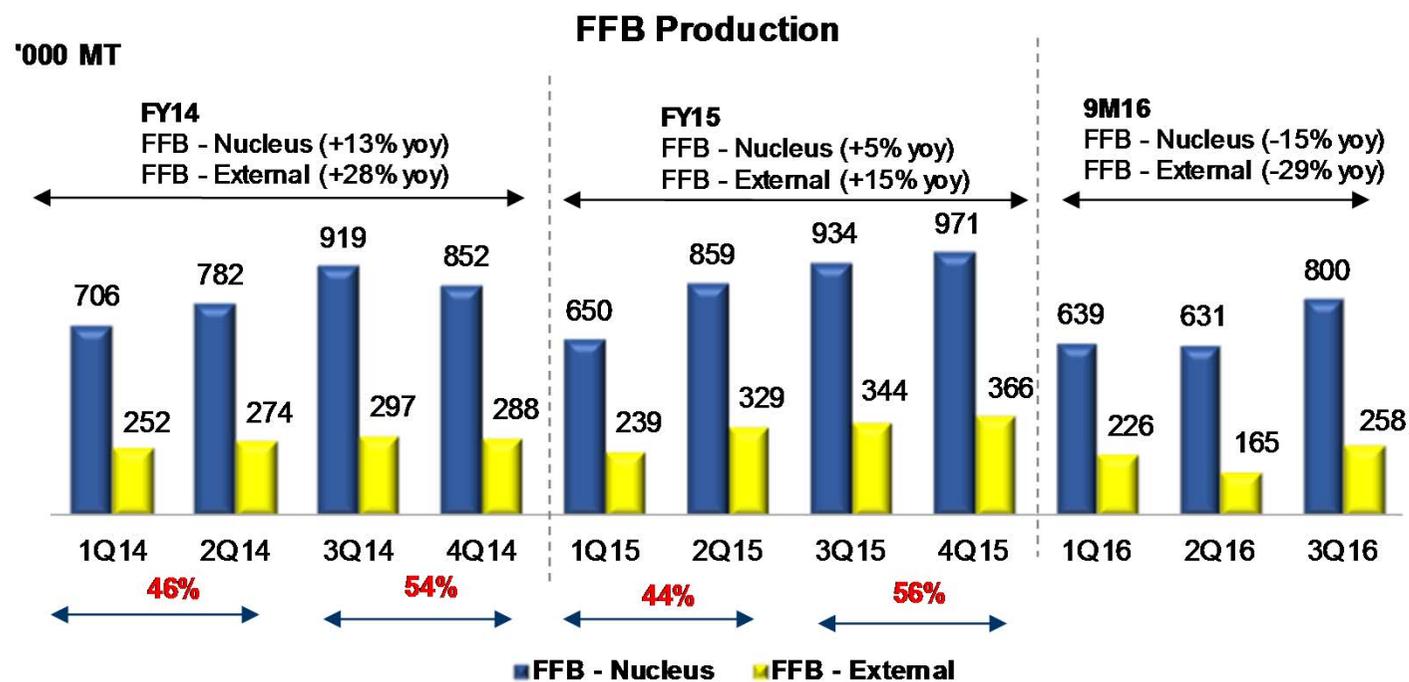
Oil Palm Plantation Highlights

		9M16	9M15	YoY Growth	3Q16	3Q15	YoY Growth	2Q16	QoQ Growth	FY15
PRODUCTION										
Mature Area	(Ha)	198,934	188,423	6%	198,934	188,423	6%	195,324	2%	187,400
FFB	('000 MT)	2,719	3,355	(19%)	1,057	1,278	(17%)	796	33%	4,693
- Nucleus	('000 MT)	2,070	2,443	(15%)	800	934	(14%)	631	27%	3,414
- External	('000 MT)	649	912	(29%)	258	344	(25%)	165	56%	1,279
CPO	('000 MT)	573	719	(20%)	220	275	(20%)	167	32%	1,002
PK	('000 MT)	137	167	(18%)	53	64	(17%)	40	33%	235
PKO, PKE	('000 MT)	29	30	(4%)	9	11	(18%)	9	(5%)	43

PRODUCTIVITY

FFB Yield – Nucleus	(MT/Ha)	10.4	13.0	↓	4.0	5.0	↓	3.2	↑	18.2
CPO Yield – Nucleus	(MT/Ha)	2.3	2.9	↓	0.9	1.1	↓	0.7	↑	4.0
CPO Extraction Rate	(%)	21.8	22.2	↓	21.3	22.1	↓	21.7	↓	22.2
PK Extraction Rate	(%)	5.2	5.2	↔	5.2	5.2	↔	5.2	↔	5.2

Oil Palm Production Trends



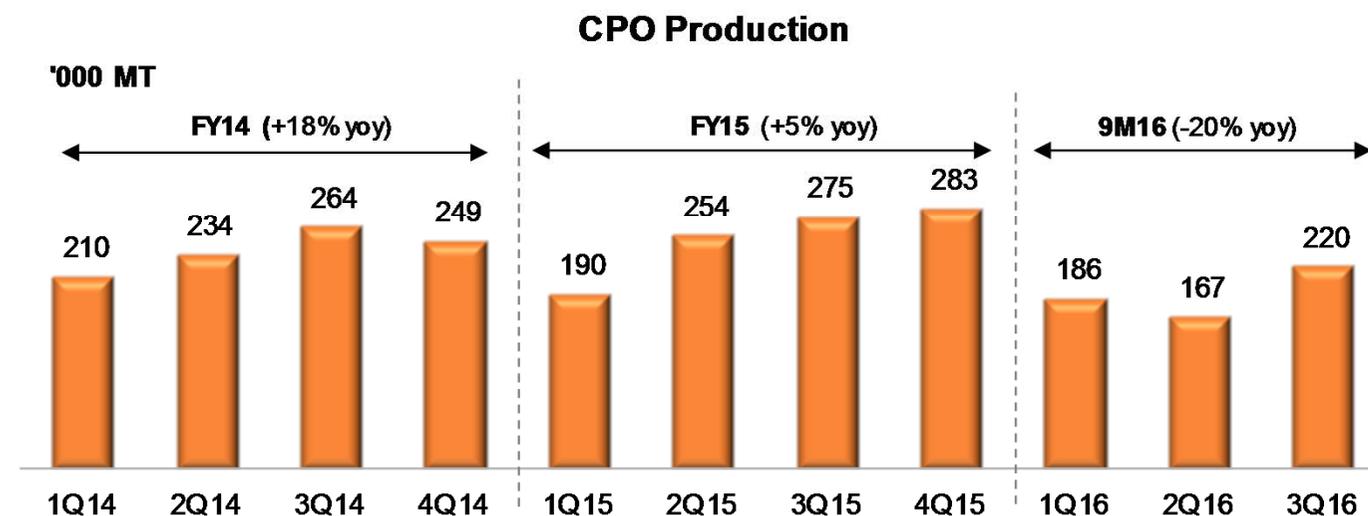
Growth

FFB - Nucleus

9M16 YoY : (15%)
 3Q16 YoY : (14%)
 3Q16 QoQ : 27%

FFB - External

9M16 YoY : (29%)
 3Q16 YoY : (25%)
 3Q16 QoQ : 56%



CPO

9M16 YoY : (20%)
 3Q16 YoY : (20%)
 3Q16 QoQ : 32%

Sugar Plantation Highlights

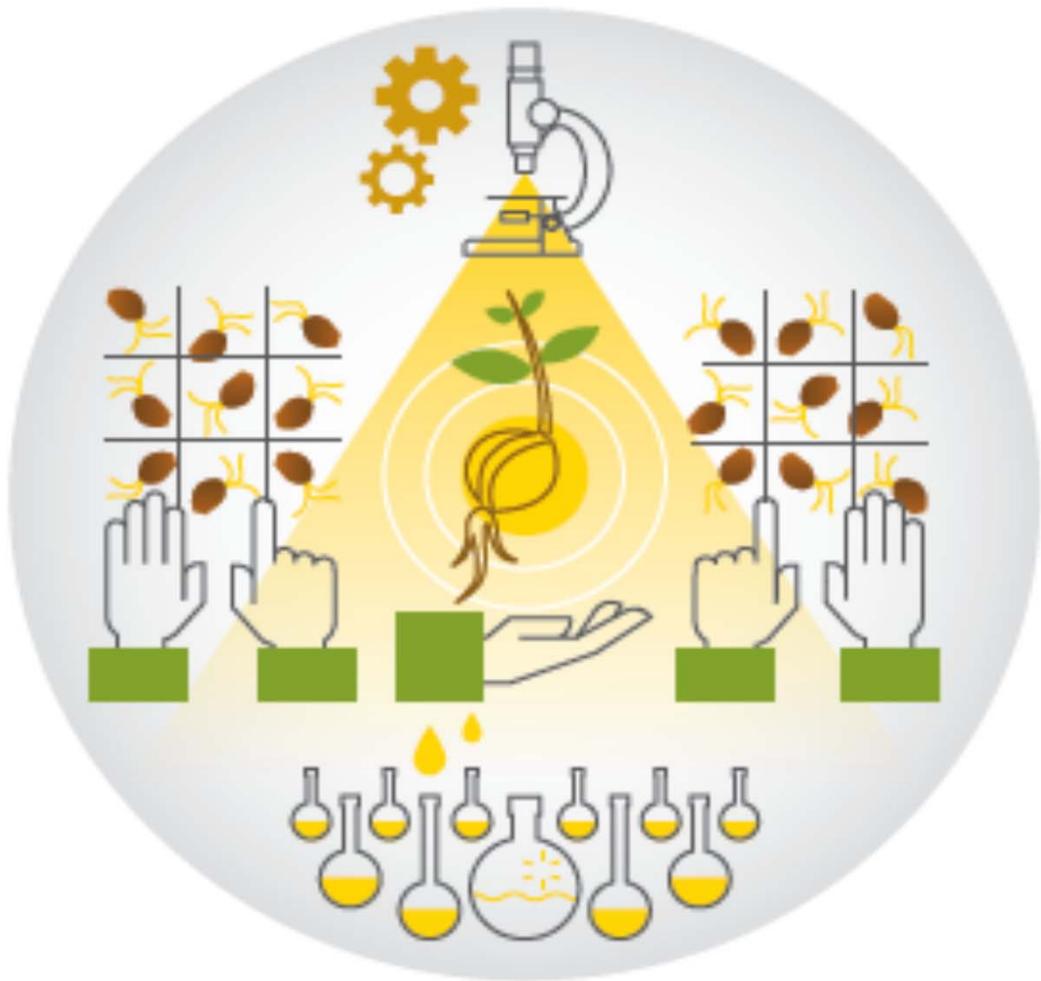
INDONESIA	9M16	9M15	YoY Growth	3Q16	3Q15	YoY Growth	FY15
Planted Area (Ha)	13,263	12,761	4%	13,263	12,761	4%	13,358
Sugar Cane Harvested ('000 MT) ⁽¹⁾	643	715	(10%)	434	418	4%	746
Sugar Production ('000 MT)	50	64	(22%)	36	45	(19%)	68
- South Sumatra Plantation	44	55	(19%)	31	38	(18%)	58
- Java (LPI's share)	6	9	(38%)	5	7	(28%)	10

BRAZIL	Apr 16- Sep 16	Apr 15- Sep 15	YoY Growth	Apr 15- Mar16
Planted Area (Ha) ⁽²⁾	53,631	52,790	2%	52,843
Sugar Cane Harvested ('000 MT)	3,171	2,936	8%	3,703
Raw Sugar Production ('000 MT)	226	183	23%	237
Ethanol ('000 M ³)	117	114	3%	149

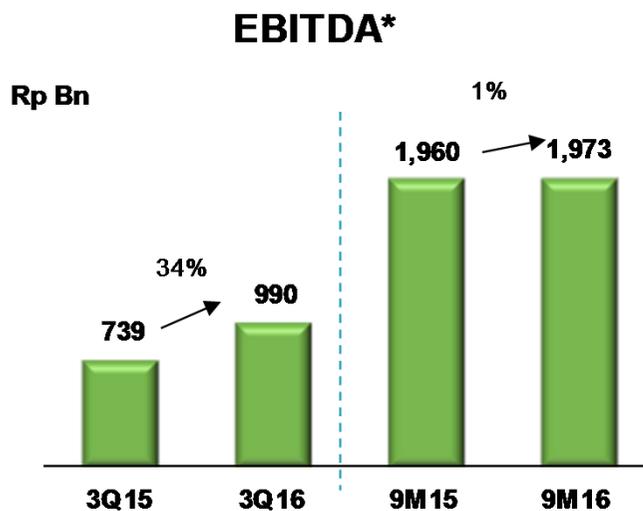
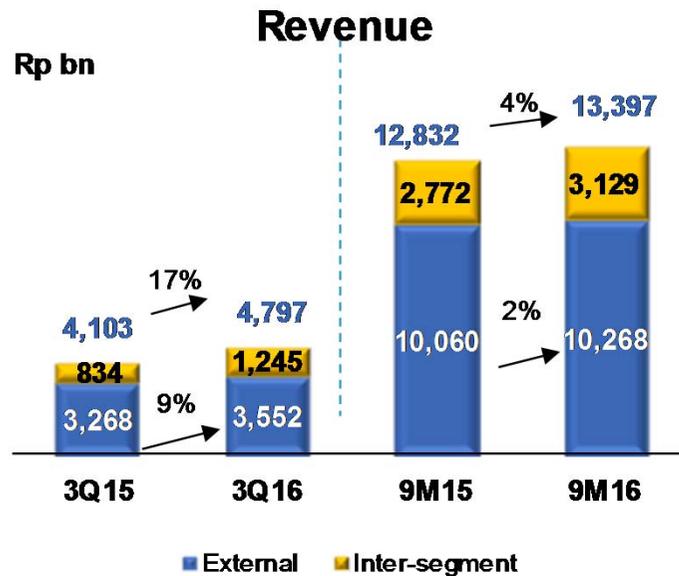
(1) Harvested cane related to Komering sugar cane plantation. This year harvesting season is expected to end in Dec 2016

(2) Of the 53,631 Ha planted sugar cane, 49% owned by CMAA and 51% belonged to 3rd party farmers

Financial Highlights



Results Summary



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

Financial Highlights

- Despite weaker production from the effects of El-Nino, revenue grew 9% and 2% yoy in 3Q16 and 9M16 on recovery of commodity prices and higher sales achieved by the Edible Oils & Fats (EOF) Division.
- 3Q16 EBITDA grew 34% yoy on significantly higher average selling prices of palm products and profit contribution from a joint venture, CMAA. In 9M16, EBITDA came in close to prior year.
- Attributable profit was Rp159 billion in 3Q16 and Rp284 billion in 9M16, reversing from net loss positions in 2015. The improved profit was mainly attributable to biological assets gain and foreign currency gain.

Operational Highlights

- Lower production in 9M16 mainly due to the effects of the El-Nino in the second half of 2015.
- 9M16 FFB nucleus and CPO production decreasing 15% and 20% yoy to 2,070,000 tonnes and 573,000 tonnes respectively.

Sales Volume

In '000 MT	9M16	9M15	YoY Growth	3Q16	3Q15	YoY Growth	2Q16	QoQ Growth	FY15
Plantation*									
CPO	587	673	(13%)	198	239	(17%)	173	15%	982
PK, PKO, PKE	135	161	(16%)	46	59	(21%)	43	9%	230
Sugar	49	43	16%	31	27	16%	13	136%	67
Rubber	9.5	12.3	(22%)	3.4	3.7	(9%)	3.1	9%	16.1
Oil Palm Seeds ('million)	7.4	7.3	2%	1.1	2.7	(59%)	3.9	(72%)	10.4

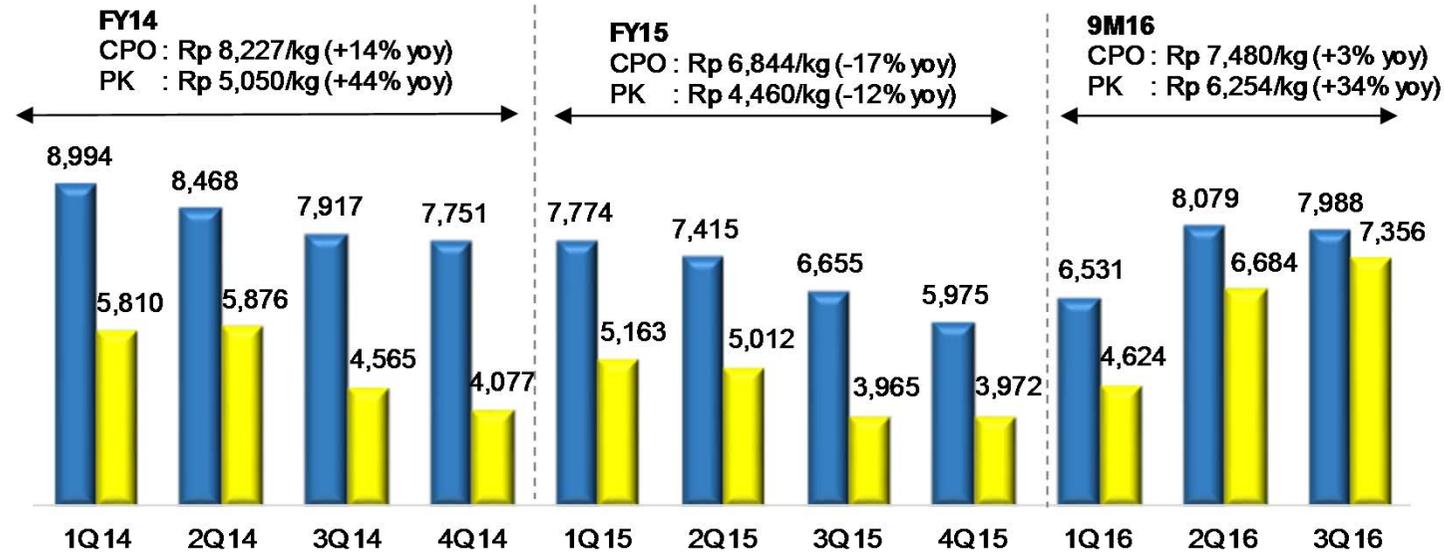
- Lower sales volume of CPO and PK related products, broadly in line with weaker production due to the impact of El-Nino event in the second half of last year.
- Started the harvesting season in May 2016 with sugar sales volume grew 16% in 3Q16 and 9M16.
- Lower rubber sales volume was in line with lower production due to replanting in progress.
- Oil palm seeds sales volume up 2% to 7.4 million in 9M16

* Before elimination of inter-segment sales

Average Selling Price (ASP) Trend

Rp/kg

CPO and PK - ASP



Growth

CPO

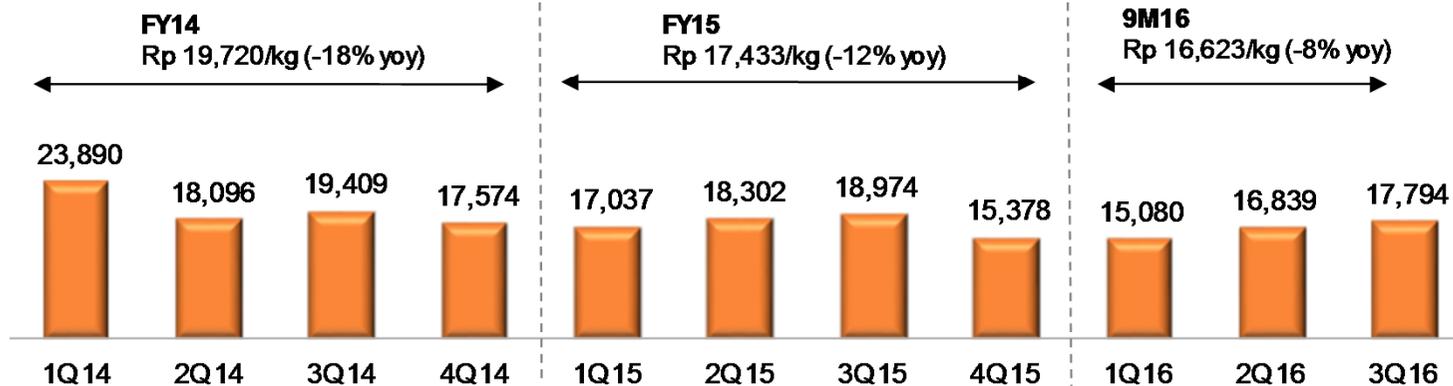
9M16 YoY : 3%
3Q16 YoY : 20%
3Q16 QoQ : (1%)

PK

9M16 YoY : 34%
3Q16 YoY : 86%
3Q16 QoQ : 10%

Rp / kg

Rubber - ASP



Rubber

9M16 YoY : (8%)
3Q16 YoY : (6%)
3Q16 QoQ : 6%

Financial Summary

In Rp Bn	9M15			3Q15			FY15		
	9M16	(Restated)	YoY Growth	3Q16	(Restated)	YoY Growth	2Q16	QoQ Growth	(Restated)
Sales	10,268	10,060	2%	3,552	3,268	9%	3,568	(0%)	13,835
Operating profit ⁽²⁾	1,097	266	312%	558	(109)	n/m	219	155%	892
Gain /(loss) arising from changes in FV of biological assets	120	(31)	n/m	25	(50)	n/m	11	118%	9
EBITDA ⁽¹⁾	1,973	1,960	1%	990	739	34%	577	72%	2,675
Net profit /(loss) after tax	300	(248)	n/m	182	(248)	n/m	23	690%	37
Core net profit /(loss) ⁽¹⁾	50	174	(71%)	130	57	128%	(12)	n/m	271
Attributable profit /(loss)	284	(243)	n/m	159	(213)	n/m	30	n/m	(48)
EPS (fully diluted) - Rp	203	(171)	n/m	114	(152)	n/m	21	n/m	(34)
Operating profit margin	11%	3%	↑	16%	(3%)	↑	6%	↑	6%
EBITDA margin	19%	19%	↔	28%	23%	↑	16%	↑	19%
Net profit margin	3%	(2%)	↑	5%	(7%)	↑	1%	↑	0%
Attributable profit margin	3%	(2%)	↑	4%	(7%)	↑	1%	↑	(0%)

- Achieved net profit after tax of Rp182 billion in 3Q16 and Rp300 billion in 9M2016, comparing to net losses in 2015. This was primarily due to recovery of commodity prices, higher edible oil sales volume, biological assets gain and foreign currency gain. Excluding the effects of forex and biological assets, the Group reported core profit of Rp50 billion in 9M16 compared to Rp174 billion in 9M15.
- Attributable profit was Rp159 billion in 3Q16 and Rp284 billion in 9M16, reversing from net loss positions in 2015.

(1) Earnings before accounting for the effects of foreign exchange and changes in the fair value of biological asset

(2) Operating profit including biological asset gains/(losses)

* The restated figures were related to the amendments FRS 16 and FRS 41 Agriculture- Bearer Plants.

Segmental Results

In Rp Bn	9M15 9M16 (Restated)	YoY Growth	3Q15 3Q16 (Restated)	YoY Growth	2Q16	QoQ Growth (Restated)	FY15 (Restated)		
Sales									
Plantations	6,280	6,589	(5%)	2,455	2,291	7%	2,022	21%	9,149
Edible Oil & Fats	7,117	6,243	14%	2,342	1,812	29%	2,695	(13%)	8,419
Elimination & Adjustments	(3,129)	(2,772)	13%	(1,245)	(834)	49%	(1,148)	8%	(3,733)
Total	10,268	10,060	2%	3,552	3,268	9%	3,568	(0%)	13,835
EBITDA									
Plantations	1,924	1,938	(1%)	978	793	23%	591	65%	2,605
<i>EBITDA %</i>	31%	29%		40%	35%		29%		27%
Edible Oil & Fats	288	254	13%	37	51	(27%)	96	(61%)	347
<i>EBITDA %</i>	4%	4%		2%	3%		4%		4%
Share of results of associate companies & JV	(110)	(196)	(44%)	28	(64)	(143%)	(85)	(133%)	(232)
Elimination & Adjustments ⁽¹⁾	(129)	(37)	n/m	(53)	(41)	n/m	(25)	113%	(45)
Sub-total	1,973	1,960	1%	990	739	34%	577	72%	2,675
Net Forex Gains/(Losses)	191	(482)	n/m	40	(322)	n/m	30	36%	(290)
Total	2,164	1,478	46%	1,030	417	147%	606	70%	2,385

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

* The restated figures were related to the amendments FRS 16 and FRS 41 Agriculture - Bearer Plants.

Financial Position

Balance Sheet (In Rp Bn)	30-Sep-16	31-Dec-15 (Restated)	31-Dec-15 (As Stated)
TOTAL ASSETS	36,042	35,287	40,720
Cash	1,795	1,969	1,969
TOTAL LIABILITIES	15,655	15,107	16,474
Interest Bearing Debt	10,203	10,141	10,141
TOTAL EQUITY*	20,387	20,180	24,246
Net Debt / EBITDA Ratio (Annualised)	3.20x	3.27x	3.27x
Net Debt / Total Equity Ratio	0.41x	0.40x	0.34x
Net Assets Value per Share (in Rupiah)	8,298	8,072	10,309
Net Assets Value per Share (in SGD) **	0.87	0.85	1.06

Cash Flow (In Rp Bn)	9M16	9M15	Change
Net Cash Flow generated from Operating Activities	907	913	(6)
Net Cash Flow used in Investing Activities	(1,300)	(2,715)	1,415
Net Cash Flow generated from Financing Activities	242	66	176
Net Decrease in Cash & Cash Equivalents	(151)	(1,736)	1,586
Net Effect of Changes in Forex	(23)	95	(118)
Sub-total	(174)	(1,642)	1,467
Cash & Cash Equivalent - Beginning	1,969	3,586	(1,617)
Cash & Cash Equivalent - Ending	1,795	1,944	(149)

* Total equity includes shareholders funds and minority interests

** Converted at Rp9,522/S\$1

Strategies and Expansion



Key Strategies in 2016

Upstream expansion

- Prioritising capex on immature plantings and the expansion of milling facilities for organic growth
- Building 3 new mills:
 - ❑ 30MT FFB/ hour in South Sumatra and 45MT FFB/ hour in Kalimantan, target for completion in 2Q 2017
 - ❑ 45MT FFB/ hour in Kalimantan completion in 2018

Replanting

- Commence replanting of older palms in North Sumatra and Riau, and conversion of certain rubber estates to oil palm in East Kalimantan

Downstream expansion

- Expansion of Surabaya refinery by 1,000 MT/day, expected completion in 1Q 2018 to cater for increasing demand for cooking oil and margarine brands

Appendix



Production Breakdown

		9M16	9M15	YoY Growth	3Q16	3Q15	YoY Growth	2Q16	QoQ Growth	FY15
PRODUCTION										
Mature Area		198,934	188,423	6%	198,934	188,423	6%	195,324	2%	187,400
- SIMP	(Ha)	115,607	109,767	5%	115,608	109,767	5%	113,555	2%	108,744
- Lonsum	(Ha)	83,327	78,656	6%	83,327	78,656	6%	81,769	2%	78,656
FFB		2,719	3,355	(19%)	1,057	1,278	(17%)	796	33%	4,693
- Nucleus		2,070	2,443	(15%)	800	934	(14%)	631	27%	3,414
- SIMP	('000 MT)	1,255	1,445	(13%)	473	552	(14%)	390	21%	2,017
- Lonsum	('000 MT)	815	998	(18%)	326	382	(15%)	242	35%	1,397
- External		649	912	(29%)	258	344	(25%)	165	56%	1,279
- SIMP	('000 MT)	352	460	(24%)	133	176	(24%)	94	42%	657
- Lonsum	('000 MT)	311	500	(38%)	126	176	(29%)	72	75%	677
CPO		573	719	(20%)	220	275	(20%)	167	32%	1,002
- SIMP	('000 MT)	319	374	(15%)	120	147	(18%)	96	26%	526
- Lonsum	('000 MT)	254	345	(26%)	100	128	(22%)	71	41%	476
PK		137	167	(18%)	53	64	(17%)	40	33%	235
- SIMP	('000 MT)	70	79	(12%)	27	30	(12%)	21	27%	112
- Lonsum	('000 MT)	67	88	(23%)	27	33	(20%)	19	39%	123
PRODUCTIVITY										
FFB Yield – Nucleus	(MT/Ha)	10.4	13.0		4.0	5.0		3.2		18.2
- SIMP	(MT/Ha)	10.9	13.2		4.1	5.0		3.4		18.6
- Lonsum	(MT/Ha)	9.8	12.7		3.9	4.9		3.0		17.8
CPO Yield – Nucleus	(MT/Ha)	2.3	2.9		0.9	1.1		0.7		4.0
- SIMP	(MT/Ha)	2.3	2.8		0.8	1.1		0.7		4.0
- Lonsum	(MT/Ha)	2.2	3.0		0.9	1.1		0.7		4.1
CPO Extraction Rate	(%)	21.8	22.2		21.3	22.1		21.7		22.2
- SIMP	(%)	21.2	21.4		20.7	21.5		21.1		21.5
- Lonsum	(%)	22.6	23.1		22.1	22.9		22.6		22.9
PK Extraction Rate	(%)	5.2	5.2		5.2	5.2		5.2		5.2
- SIMP	(%)	4.7	4.5		4.6	4.5		4.6		4.6
- Lonsum	(%)	6.0	5.9		5.9	6.0		6.1		6.0

**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.*