FOR IMMEDIATE RELEASE

IndoAgri posts a positive 3Q16 result with a profit of Rp159 billion (S$16 million)

HIGHLIGHTS:

- **Despite weaker production from the effects of El-Nino in 2015, 3Q16 revenue up 9% yoy in 3Q16 on recovery of commodity prices and higher edible oil sales**
- **Group achieved improved profit in 3Q16 on stronger contribution from the Plantation Division and foreign currency gain**
- **Attributable profit was Rp159 billion (S$16 million) in 3Q16, reversing from a net loss in 3Q15**

SINGAPORE – 28 October 2016 – SGX Mainboard-listed IndoAgri (the "**Group**"), a diversified and integrated agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, posted revenue growth of 9% and 2% yoy in 3Q16 and 9M16 respectively mainly due to recovery of commodity prices and higher sales contribution from the Edible Oils & Fats (EOF) Division.

Plantation Division reported 7% revenue growth in 3Q16 on the combined effects of significantly higher selling prices of crude palm oil (CPO) and palm kernel (PK) related products, and higher sugar sales which more than offset the weaker palm output. 9M16 revenue declined 5% yoy on lower sales volume of palm products. The decline was partly offset by higher average selling prices of palm products and higher sugar sales.

EOF Division continued to perform well with revenue growing 29% and 14% yoy in 3Q16 and 9M16 respectively mainly attributable to strong sales volume of edible oil products.

	Rp' billion						**S$' million** [1]			
	3Q16	**3Q15 *** (Restated)	**▲%**	**9M16**	**9M15 *** (Restated)	**▲%**	**3Q16**	**3Q15 *** (Restated)	**9M16**	**9M15 *** (Restated)
Revenue	3,552	3,268	8.7	10,268	10,060	2.1	365	336	1,055	1,034
Gross profit	827	696	18.8	2,080	2,087	(0.3)	85	72	214	214
Gross margin (%)	*23.3%*	*21.3%*		*20.3%*	*20.7%*		*23.3%*	*21.3%*	*20.3%*	*20.7%*
EBITDA [2]	990	739	33.9	1,973	1,960	0.7	102	76	203	201
EBITDA margin (%)	*27.9%*	*22.6%*		*19.2%*	*19.5%*		*27.9%*	*22.6%*	*19.2%*	*19.5%*
Profit from operations	558	(109)	n/m	1,097	266	312.3	57	(11)	113	27
Profit before taxation	407	(257)	n/m	658	(166)	n/m	42	(26)	68	(17)
Net profit after tax	182	(248)	n/m	300	(248)	n/m	19	(25)	31	(25)
Attributable profit	159	(213)	n/m	284	(243)	n/m	16	(22)	29	(25)
EPS (fully diluted) - Rp/S$ cents	114	(152)	n/m	203	(171)	n/m	1.2	(1.6)	2.1	(1.8)

n.m. denotes "Not Meaningful"

* 2015 figures are restated due to the amendments FRS 16 and FRS 41 Agriculture – Bearer Plants

[1] Income Statement and Balance Sheet items are converted at exchange rates of Rp9,734/S$1 and Rp9,522/S$1, respectively
[2] Earnings before interests and tax expense, depreciation and amortisation, and gain/loss from changes in fair value of biological assets and foreign exchange gain.

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In 3Q16, the Group recorded EBITDA growth of 34%. This was mainly due to higher gross profit on significantly higher average selling prices of palm products and share of profit from a joint venture, CMAA. On year-to-date, EBITDA came in close to prior year.

The Group achieved attributable profit of Rp159 billion (S$16 million) in 3Q16 and Rp284 billion (S$29 million) in 9M16, reversing from net loss positions in 2015. The improved result was mainly attributable to biological assets gain and foreign currency gain.

"The effects of the prolonged drought in the second half last year have impacted our 9M16 FFB nucleus and CPO production, declining 15% and 20% yoy to 2,070,000 tonnes and 573,000 tonnes respectively. Despite the lower production, the Group achieved profitability in 9M16 as opposed to a net loss position in 9M15. The improved result was mainly attributable to the recovery of commodity prices, a strong contribution from the Edible Oils and Fats Division, biological assets gain and foreign currency gain. We also registered a profit in our Brazilian sugar operation in 3Q16.

In 2016, we will prioritise our capex on immature plantings of around 48,000 hectares and the expansion of milling facilities for organic growth.", *commented Mr Mark Wakeford, CEO and Executive Director.*

INDUSTRY OUTLOOK AND FUTURE PLANS

Agricultural commodity prices remain uncertain on expected recovery in palm and soybean production, and slower growth in some key markets like China. Global developments and market conditions remain challenging and unpredictable. These circumstances have aggravated the complex mix peculiar to any agribusiness such as the weather, export restrictions, the higher co-relationship between the prices of crude oil and various commodities, and the performance of competing crops such as soybean oil.

As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by positive market drivers that include good demographics, strong economic fundamentals, and a fast-growing middle class with rising discretionary incomes.

We are cautiously managing our activities during this challenging period to mitigate risks and exposures. We will place a stronger emphasis on extracting the optimal from our value chain, and proactively improve operations, increase yields, raise productivity and control costs.

--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 2016, IndoAgri has 300,696 hectares planted with oil palm, rubber, sugar cane, cocoa and tea.

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