



**INTEGRATED AGRIBUSINESS WITH LEADING BRANDS**

Company Presentation – Q3 2008 & YTD Sep 2008 Results

30 October 2008

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# PRESENTATION OUTLINE

1. Business Overview
2. Financial Highlights
3. Plantation Highlights
4. Appendix - Supplemental Information

# Business Overview

# Business Overview

*Integrated Agribusiness Group with Leading Brands  
Capture value from seeds to consumers*

Research & Development



Oil Palm Seed Breeding



Plantations



Palm Oil / Copra Mills



Refineries



Finished Products



Distribution

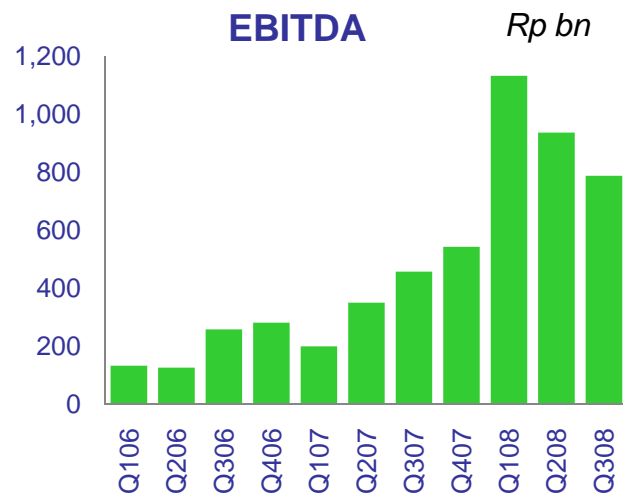
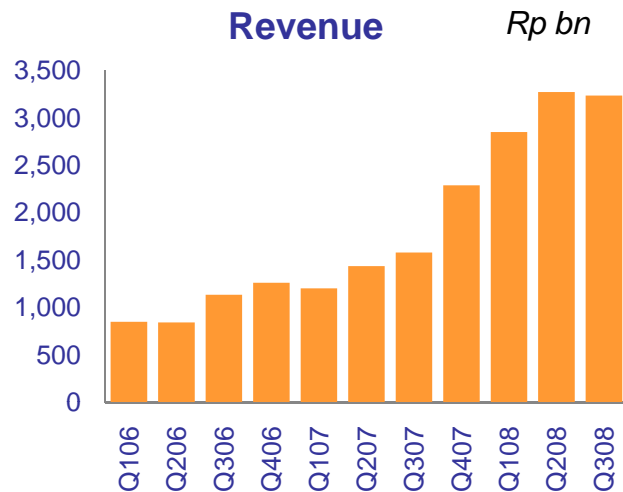


# Operations Overview

- One of the largest plantation owners in Indonesia with 455,910 ha land bank, of which 201,645 ha is planted.
  - Target to expand oil palm planted area to 250,000 ha by end-2010.
  - Develop 18,600 ha sugar cane plantation and operate 2 sugar processing facilities by 2011.
- Strong plantation research and development capabilities.
  - Filed world's first patent application to produce F<sub>1</sub> oil palm hybrids .
  - Expand existing R&D facilities. Increase R&D activities in genomics and tissue culture research to further develop the seed material.
- Leading market shares in Indonesia branded cooking oil & margarine markets.
  - Supported by strong sales & marketing expertise and deep market penetration.
  - Strengthen brand's identity and loyalty by Advertising & Promotion programs.
  - Expand refinery capacity in Medan to 170,000 MT/yr by end-2008 & construct a new refinery in Jakarta with 420,000 MT/yr capacity by end-2009.

# Financial Highlights

# Results Summary – YTD 08



- Revenue rose 122% to Rp9.4 trillion
- Higher EBITDA of Rp2.9 trillion, up 183% yoy
- EBITDA margin rose to 31% vs. 24% in YTD 07
- Strong performance driven by:-
  - Increase in CPO sales volume of 144% from 217,423 mt to 531,024 mt in YTD 07
  - Higher CPO prices
  - 17% growth in cooking oil sales volume
  - Higher margin from Cooking Oil & Fat division



# Financial Highlights

*YTD 08 EBITDA tripled on increased volume, higher selling prices*

Rp bn

Description	YTD 08	YTD 07	Growth	Q308	Q208	Growth
Sales	<b>9,355</b>	4,217	122%	<b>3,234</b>	3,271	(1%)
EBITDA	<b>2,857</b>	1,009	183%	<b>788</b>	937	(16%)
<i>EBITDA %</i>	<b>31%</b>	24%		<b>24%</b>	29%	
Gains arising from changes in fair value of biological assets	<b>646</b>	135	380%	-	646	n/m
Operating Profit	<b>3,282</b>	1,051	212%	<b>696</b>	1,509	(54%)
<i>Operating %</i>	<b>35%</b>	25%		<b>22%</b>	46%	
Net Profit – equity holders of the Company	<b>1,553</b>	624	149%	<b>301</b>	710	(58%)
<i>Net Profit %</i>	<b>17%</b>	15%		<b>9%</b>	22%	
Earnings per Share (fully diluted) Rp	<b>1,073</b>	483	122%	<b>208</b>	491	(58%)

# Segment Information

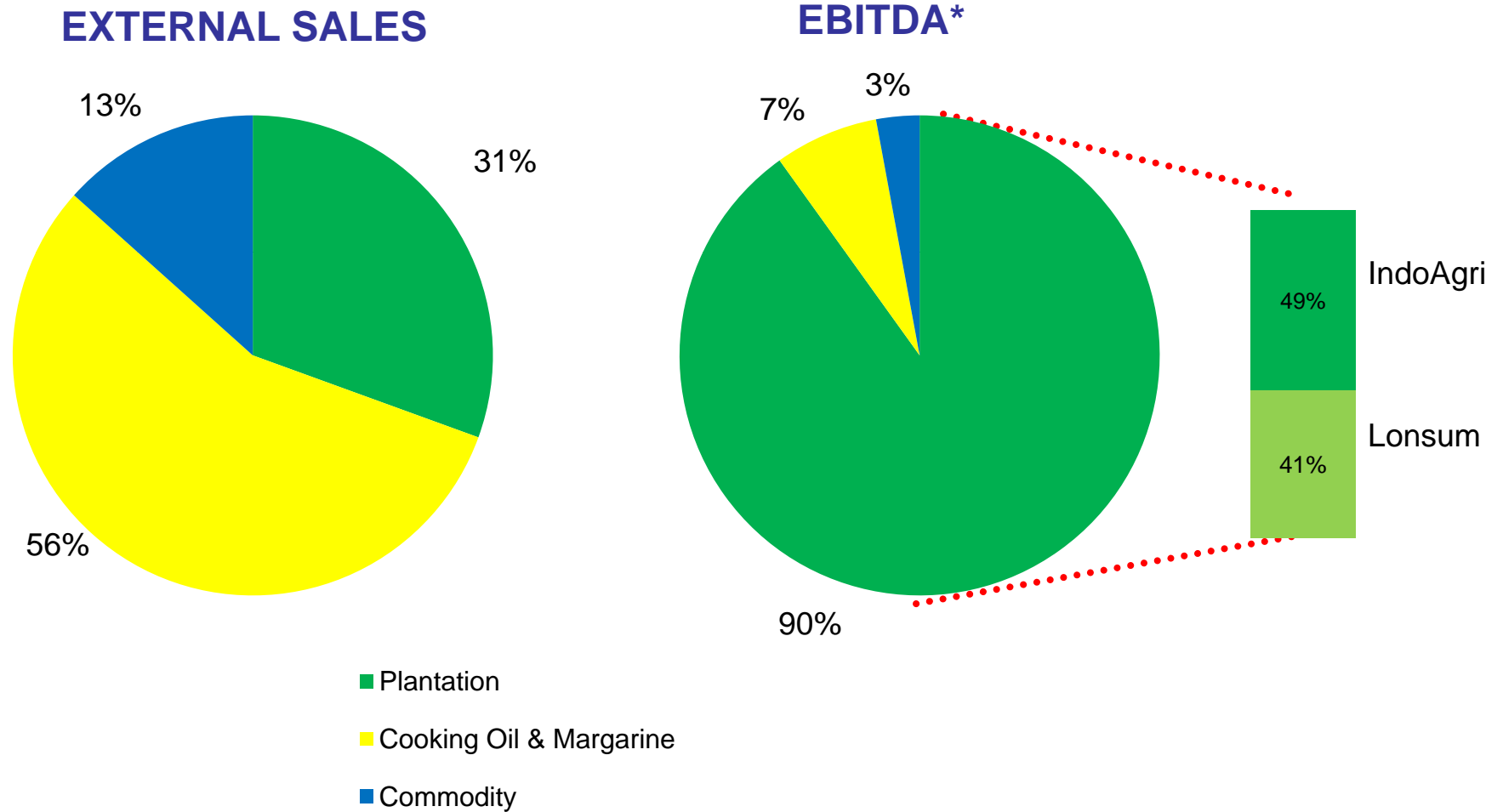
Rp bn

DESCRIPTION	SALES		EBITDA		EBITDA%	
	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07
<b>Plantations</b>	<b>5,452</b>	<b>1,444</b>	<b>2,732</b>	<b>970</b>	<b>50%*</b>	<b>67%</b>
IndoAgri	2,492	1,444	1,501	970	60%	67%
Lonsum	2,960	-	1,232	-	42%	-
<b>Cooking Oil &amp; Fats</b>	<b>5,247</b>	<b>3,185</b>	<b>212</b>	<b>107</b>	<b>4%</b>	<b>3%</b>
<b>Commodity</b>	<b>1,352</b>	<b>818</b>	<b>88</b>	<b>38</b>	<b>7%</b>	<b>5%</b>
<b>Elimination &amp; Adjustment</b>	<b>(2,696)</b>	<b>(1,230)</b>	<b>(176)</b>	<b>(106)</b>	<b>n/m</b>	<b>n/m</b>
<b>Total</b>	<b>9,355</b>	<b>4,217</b>	<b>2,857</b>	<b>1,009</b>	<b>31%</b>	<b>24%</b>

*\*Plantation margin squeezed due to higher fertilizer and transport costs, and the effect of consolidating Lonsum*

# Segment Information – YTD 08

*Plantation division remains the key earnings contributor*



\* EBITDA before eliminations

# Sales Breakdown

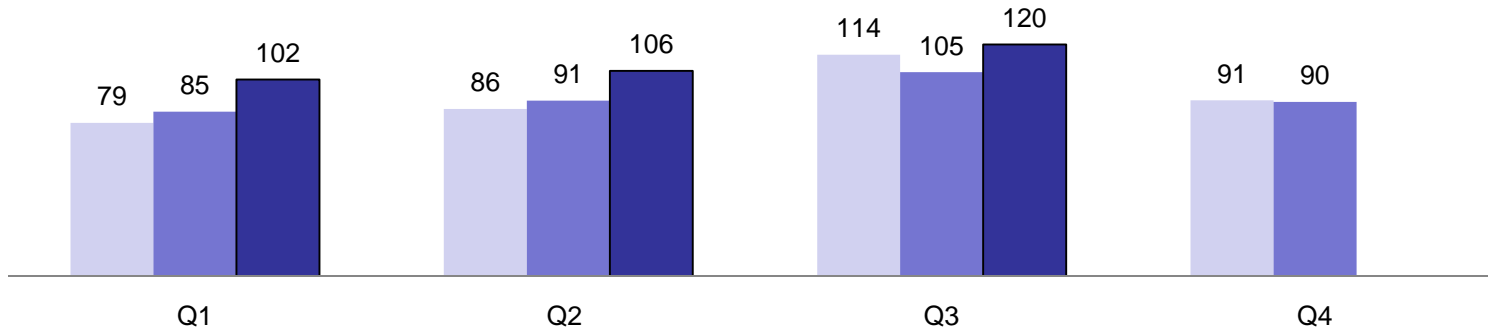
**Strong CPO volume growth from acquisitions & organic growth**  
**Cooking Oil sales grew 17% in YTD 08**

	YTD 08	YTD 07	Growth	Q308	Q208	Growth
<b>Plantation (MT)</b>						
• CPO	531,024	217,423	144%	186,784	175,080	7%
• Palm Kernel	115,454	47,053	145%	40,650	37,121	10%
• Rubber	21,139	2,487	n/m	6,588	6,286	5%
<b>Cooking Oil &amp; Fats Volume (MT)</b>						
• Cooking Oil	327,428	281,020	17%	119,744	106,054	13%
• Margarine	124,119	142,531	(13%)	43,171	41,062	5%
<b>Commodity Volume (MT)</b>						
• Coconut Oil & Derivatives	84,922	74,514	14%	27,935	33,987	(18%)
<b>Total Sales Value (Rp bn)</b>						
• Plantation	5,452	1,444	278%	1,746	1,896	(8%)
• Cooking Oil & Fats	5,247	3,185	65%	1,901	1,792	6%
• Commodity	1,352	818	65%	470	554	(15%)

# Cooking Oil & Fats Sales

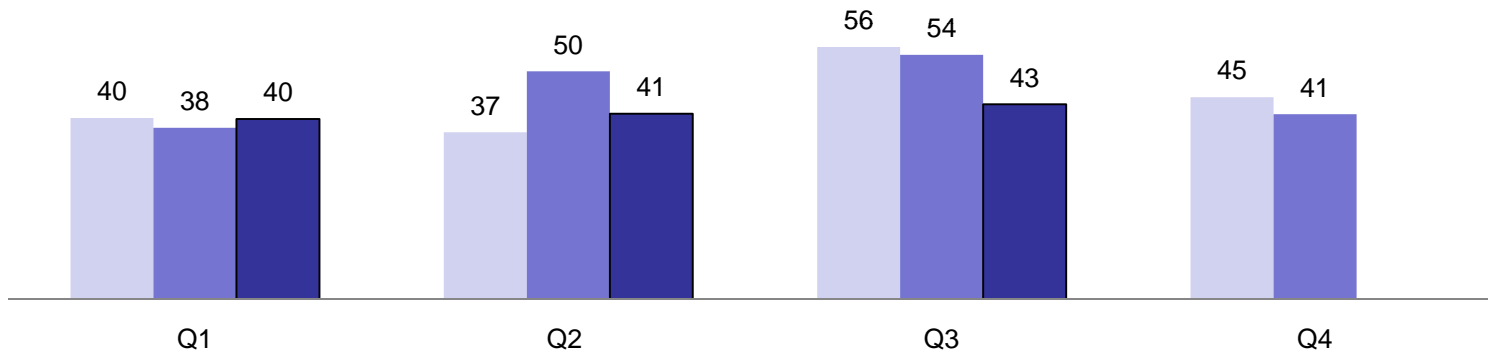
In '000 MT

## Sales Volume Cooking Oil



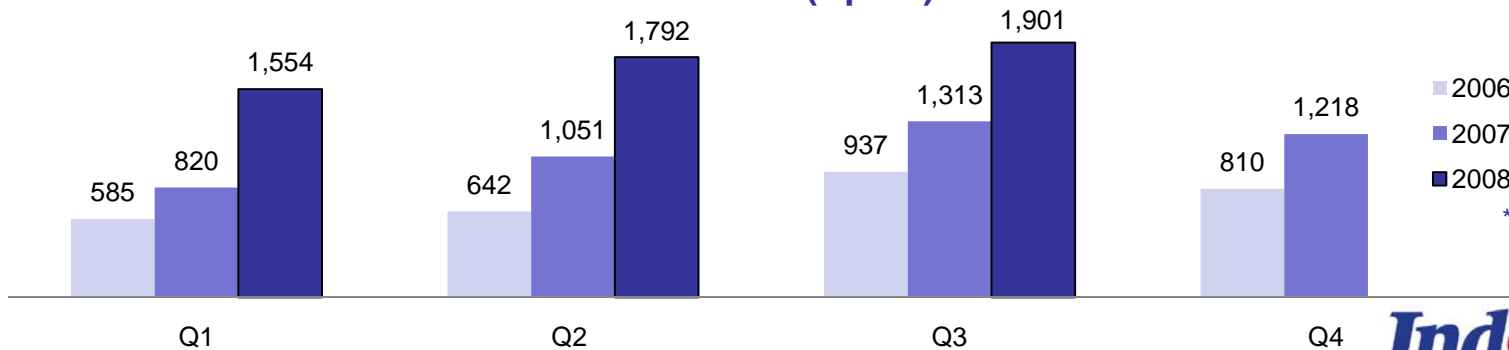
**Inc\***  
17%

## Sales Volume Margarine



**Dec\***  
13%

## Sales Value (Rp bn)

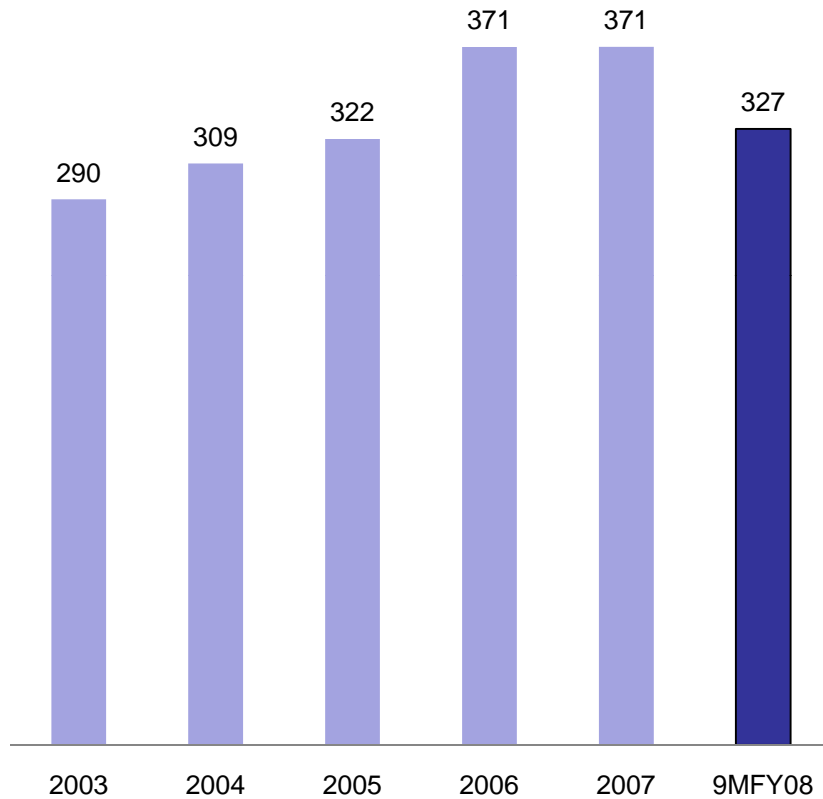


**Inc\***  
65%

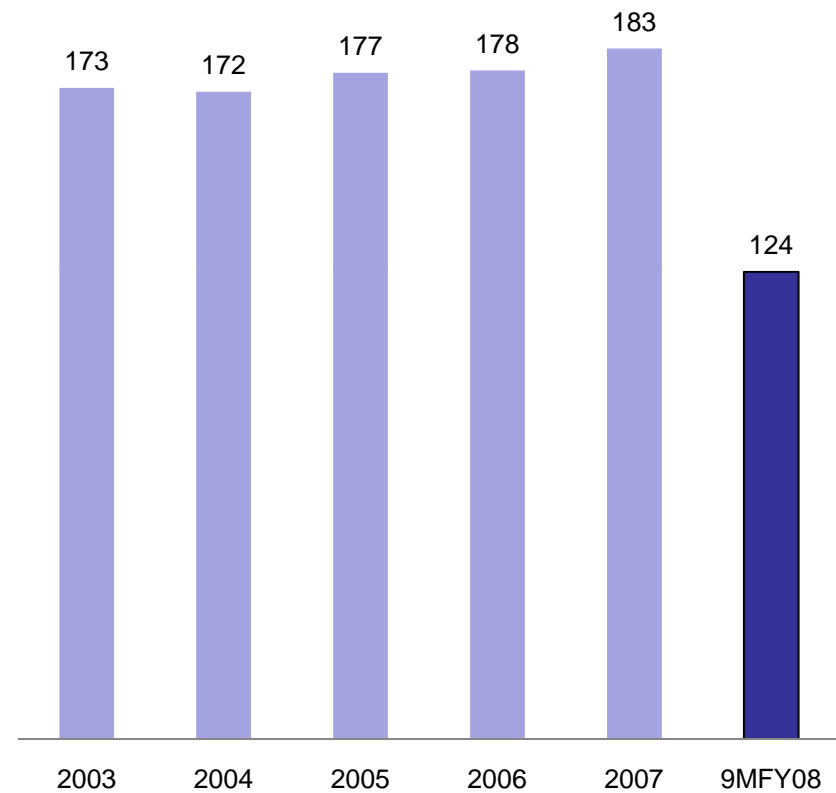
\* Compared to YTD 07

# Annual Cooking Oil & Fats Sales Volume In '000 MT

## Cooking Oil

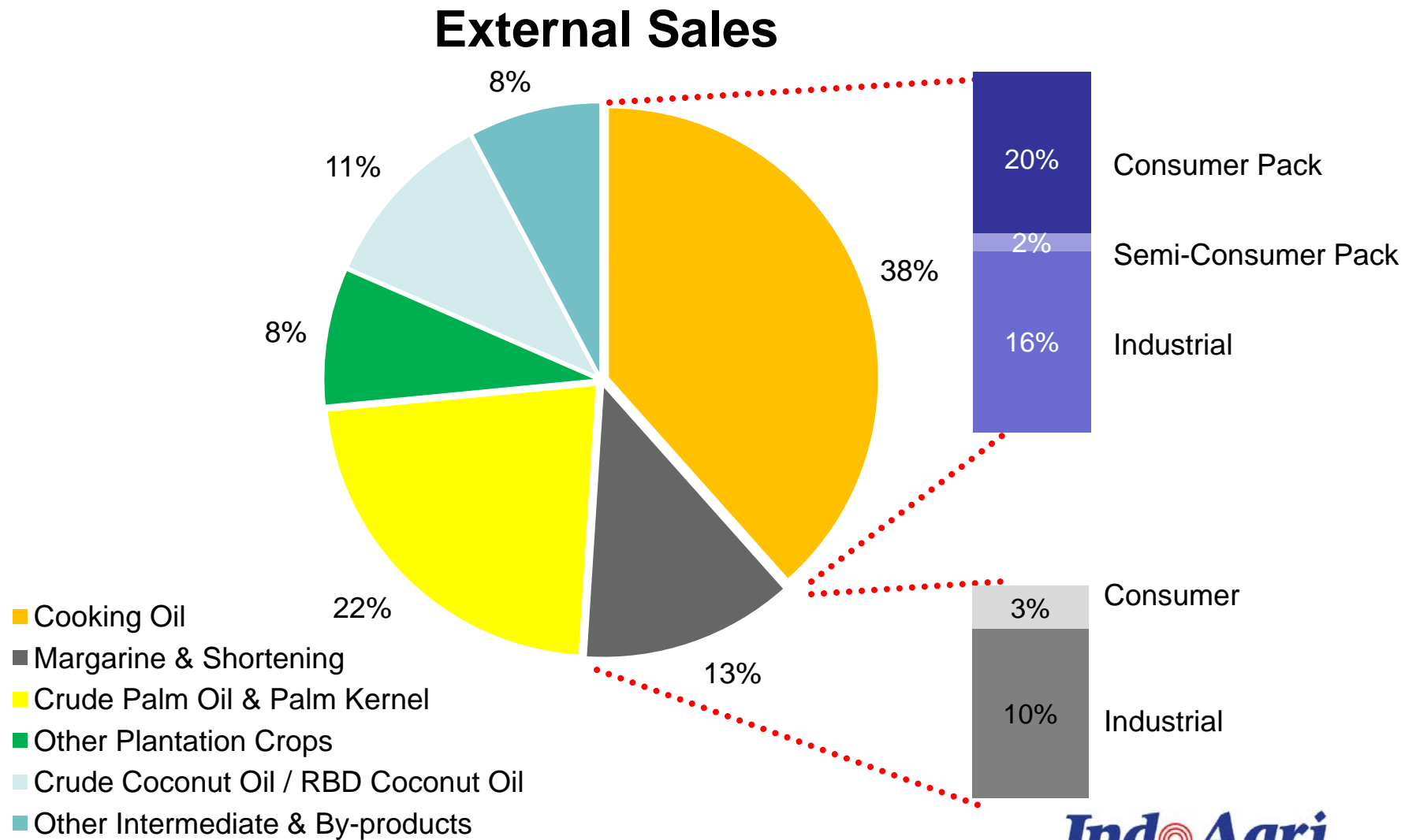


## Margarine



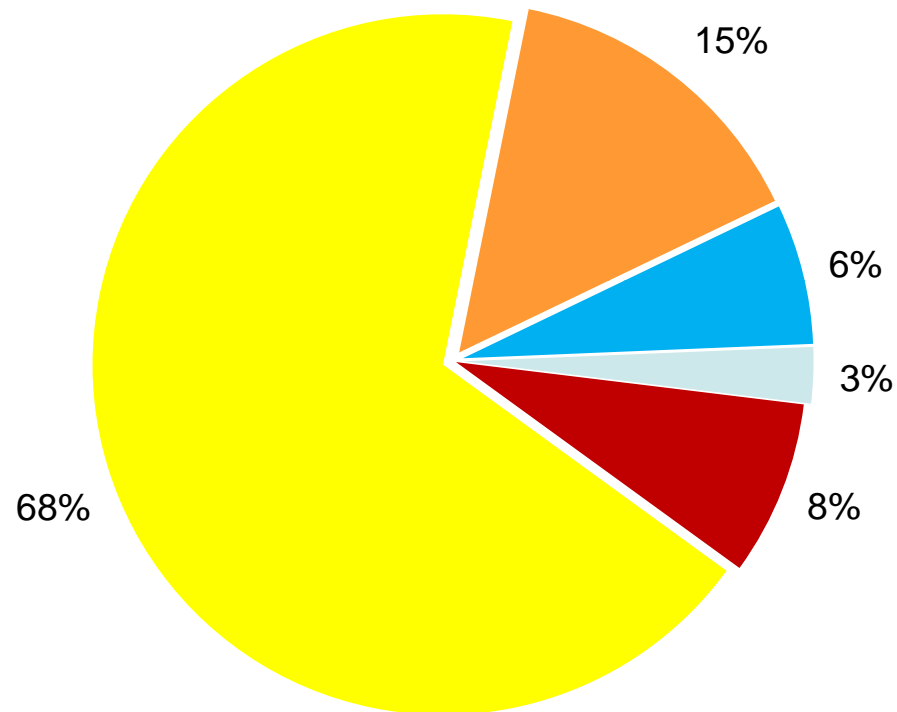
# Revenue by Key Categories – YTD 08

*Diversified end-user market*



# Revenue by Geographical Market – YTD 08

*Indonesia remains the key market*



- Indonesia
- Asia
- Europe
- Africa, Middle East and Oceania
- America



# Financial Position

*Balance sheet remains strong*

*Rp bn*

Description	30 Sep 2008	31 Dec 2007
<b>TOTAL ASSETS</b>	<b>22,333</b>	<b>18,812</b>
Cash	1,677	1,702
<b>TOTAL LIABILITIES</b>	<b>10,246</b>	<b>8,991</b>
Interest Bearing Debt	5,787	5,343
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>8,709</b>	<b>7,156</b>
Net Debt / EBITDA Ratio ( annualized)	1.1x	2.3x
Net Debt / Shareholders Funds Ratio	0.47x	0.51x
Net Assets Value per Share ( in Rupiah)	6,015	4,943

# Plantation Highlights

# Plantation Highlights

*In Hectares*

	30 Sep 2008	31 Dec 2007	Increase
<b>Total Land Bank<sup>(1)</sup></b>	<b>455,910</b>	<b>406,519</b>	<b>49,391</b>
• IndoAgri <sup>(1)</sup>	286,001	237,262	48,739
• Lonsum	169,909	169,257	652
<b>Total Planted Area<sup>(1)</sup></b>	<b>201,645</b>	<b>186,982</b>	<b>14,663</b>
• IndoAgri <sup>(1)</sup>	109,493	97,000	12,493
• Lonsum	92,152	89,982	2,170
<b>Planted Area Oil Palm</b>	<b>173,059</b>	<b>161,457</b>	<b>11,602</b>
• IndoAgri	101,226	91,985	9,241
• Lonsum	71,833	69,472	2,361
<b>Mature Area Oil Palm</b>	<b>124,173</b>	<b>118,030</b>	<b>6,143</b>
• IndoAgri	66,912	65,341	1,571
• Lonsum	57,261	52,689	4,572

<sup>(1)</sup> Include 37,500 ha land bank from PT LPI's shares subscription. Of which, 3,252 ha is planted.

# Hectare Statement – Sep 2008

Oil Palm Plantations Location	IndoAgri		Lonsum		Group Planted Area
	Mature (hectares)	Immature (hectares)	Mature (hectares)	Immature (hectares)	
Riau	56,195	808	-	-	57,003
North Sumatra	-	-	31,095	3,338	34,433
South Sumatra	-	10,878	21,610	11,191	43,679
West Kalimantan	10,717	9,872	-	-	20,589
East Kalimantan	-	12,756	4,556	41	17,353
Java	-	-	-	2	2
<b>Total</b>	<b>66,912</b>	<b>34,314</b>	<b>57,261</b>	<b>14,572</b>	<b>173,059</b>

Crop	IndoAgri		Lonsum		Total Planted Area
	Mature (hectares)	Immature (hectares)	Mature (hectares)	Immature (hectares)	
Oil palm	66,912	34,314	57,261	14,572	173,059
Rubber	5,015	-	12,922	4,032	21,969
Sugar	3,252	-	-	-	3,252
Cocoa	-	-	2,268	232	2,500
Others	-	-	602	263	865
<b>Total</b>	<b>75,179</b>	<b>34,314</b>	<b>73,053</b>	<b>19,099</b>	<b>201,645</b>

# Oil Palm Plantation Highlights

*Nucleus FFB up 97% on acquisitions & organic growth*

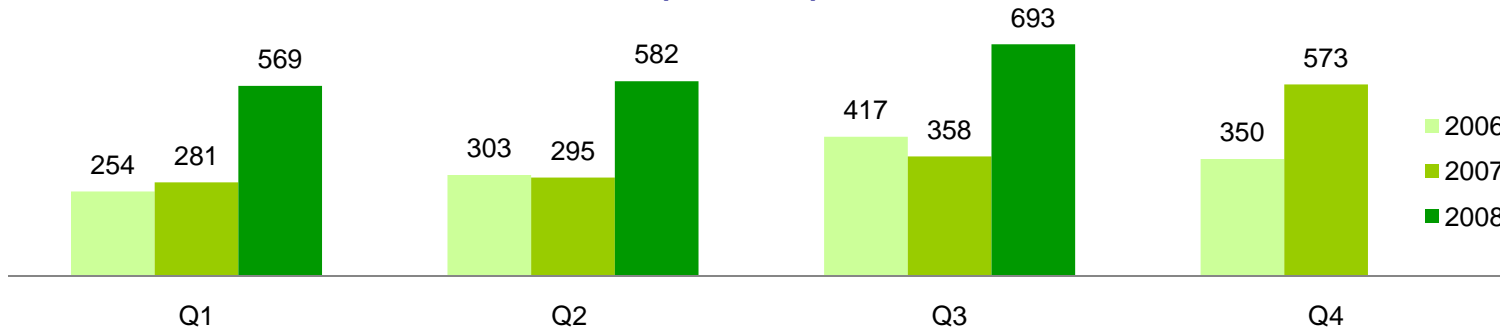
	YTD 08	YTD 07	Growth	Q308	Q307	Growth
<b>Planted Area<sup>(1)</sup> (Ha)</b>	173,059	81,818	112%	173,059	81,818	112%
<b>Mature Area<sup>(1)</sup> (Ha)</b>	124,173	61,532	102%	124,173	61,532	102%
<b>FFB ('000 MT)</b>	2,345	967	142%	851	372	129%
- Nucleus production	1,844	936	97%	693	360	93%
- Purchase from Plasma & 3 <sup>rd</sup> Parties	501	31	n/m	158	12	n/m
<i>FFB Yield – Nucleus (MT/Ha)</i>	14.8	15.2	n/m	5.6	5.8	n/m
<b>CPO Production ('000 MT)</b>	519	216	141%	187	82	129%
<i>CPO Extraction Rate (%)</i>	22.6%	22.4%		22.3%	22.1%	
<i>CPO Yield – Nucleus (MT/Ha)</i>	3.4	3.4		1.2	1.3	
<b>PK Production ('000 MT)</b>	119	47	153%	44	18	148%
<i>PK Extraction Rate (%)</i>	5.2%	4.9%		5.3%	4.8%	

(1) Exclude plasma area. As at 30 September 2008, IndoAgri has approximately 74,000 ha of planted plasma area.

# Oil Palm Plantation Production

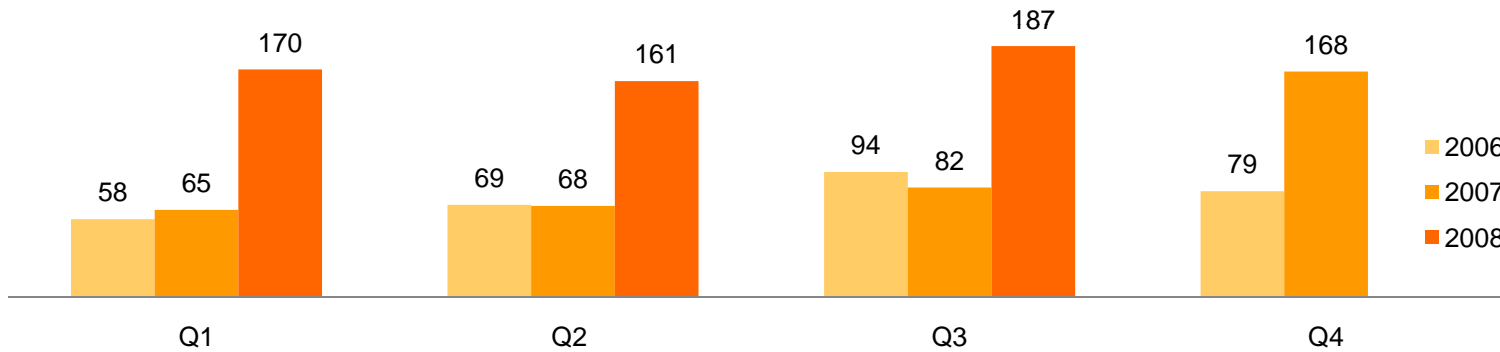
In '000 MT

## FFB (nucleus)



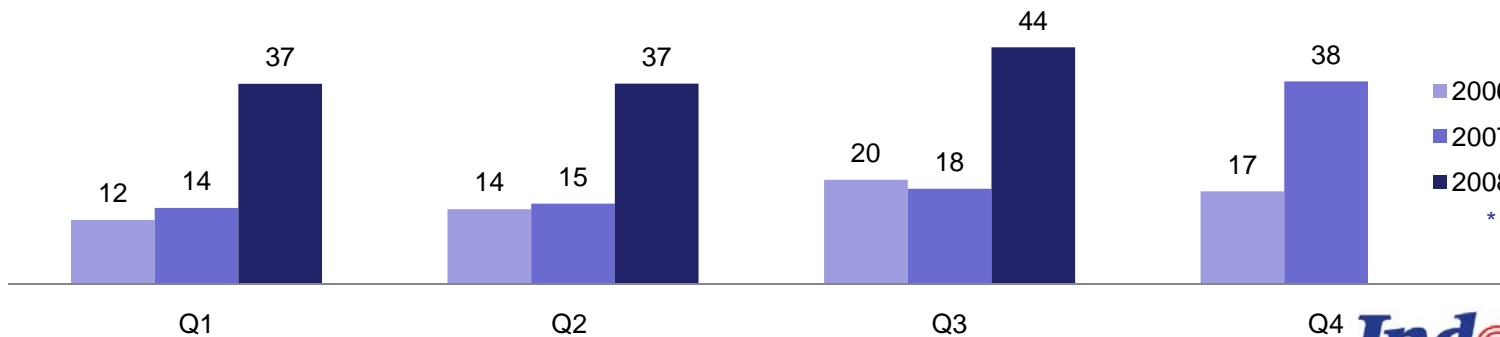
**Inc\***  
**97%**

## Total CPO



**Inc\***  
**141%**

## Total Palm Kernel



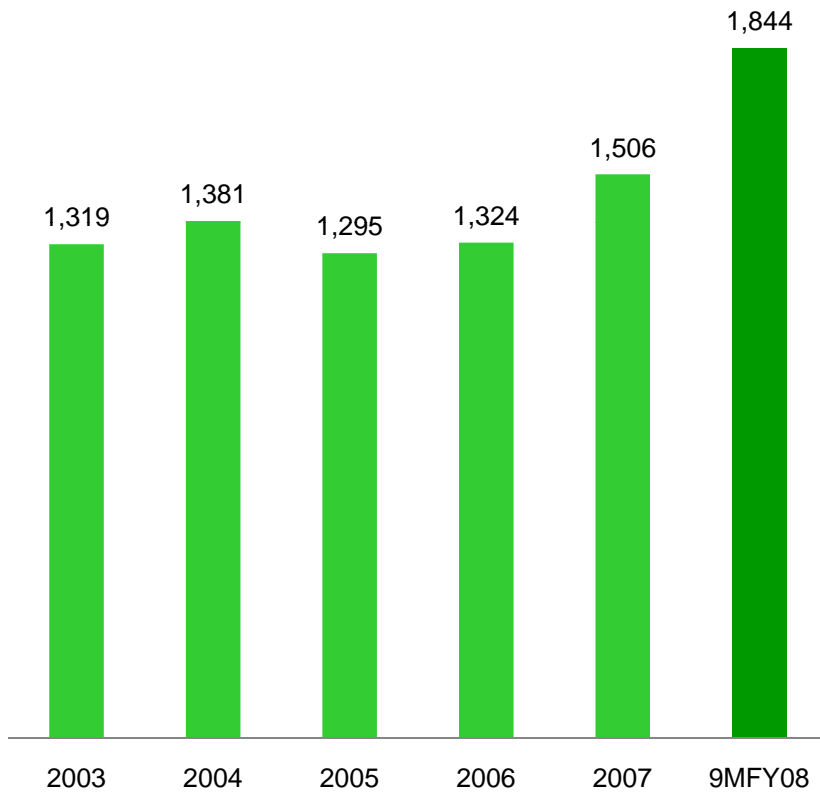
**Inc\***  
**153%**

\* Compared to YTD 07

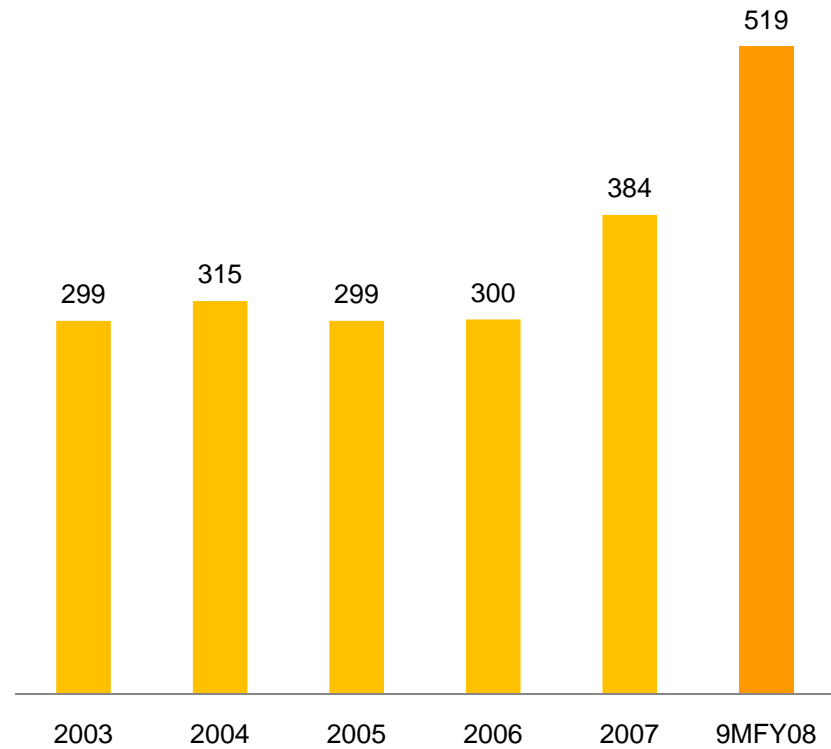
# Annual Oil Palm Plantation Production

In '000 MT

## FFB (Nucleus)



## CPO (Total)



# Age Profile of Oil Palm Plantations – Sep 2008

## *FFB growth potential with young plantation age profile*

*In Hectares*

	<b>Average Age</b>	<b>Up to 3 years</b>	<b>4 – 6 years</b>	<b>7 to 20 years</b>	<b>Above 20 years</b>	<b>Total</b>
IndoAgri	12	32,182	5,086	39,956	24,002	101,226
Lonsum	11	12,543	11,407	42,056	5,827	71,833
<b>Total</b>	<b>11</b>	<b>44,725</b>	<b>16,493</b>	<b>82,012</b>	<b>29,829</b>	<b>173,059</b>
<i>Percentage of total planted area</i>		<i>26%</i>	<i>10%</i>	<i>47%</i>	<i>17%</i>	<i>100%</i>



# Summary

- Cooking oil sales volume grew 17% year on year
- 61,218 ha under 7 years of age – FFB volume growth will continue
- 87,290 ha (70%) of mature oil palm in North Sumatra and Riau
  - Lowest cost of production.
  - Position the Group well in low CPO price environment.
- Expect cost pressures to ease going forward, especially fertilizer and fuel
- Sumatra BioScience announced publication of world's first patent application to produce F<sub>1</sub> oil palm hybrids
  - Potential for higher yields in future without genetic modification.
  - Group will increase investment in R&D to capture additional value.

# Appendix

## Supplemental Information

# Plantation Highlights

	YTD 08	YTD 07	Growth	FY07*
<b>FFB Production Nucleus ('000MT)</b>	<b>1,844</b>	<b>936</b>	<b>97%</b>	<b>1,506</b>
• IndoAgri	1,089	936	16%	1,318
• Lonsum	755	-	-	188
<b>FFB Purchased from Plasma &amp; 3<sup>rd</sup> Parties ('000 MT)</b>	<b>501</b>	<b>31</b>	n/m	<b>211</b>
• IndoAgri	166	31	n/m	84
• Lonsum	335	-	-	127
<b>FFB Yield (MT / Ha)</b>	<b>14.8</b>	<b>15.2</b>	<b>(3%)</b>	<b>12.8</b>
• IndoAgri	16.3	15.2	7%	20.2
➤ Riau	18.9	17.1	11%	24.0
• Lonsum	12.9	-		3.6
➤ North Sumatra	15.9	-		-

\* Include Lonsum production for only 2 months

# Plantation Highlights

	YTD 08	YTD 07	Growth	FY07*
<b>CPO Production ('000MT)</b>	<b>519</b>	<b>216</b>	<b>141%</b>	<b>384</b>
• IndoAgri	274	216	27%	312
• Lonsum	245	-	-	72
<i>CPO Extraction Rate (%)</i>	<i>22.6%</i>	<i>22.4%</i>		<i>22.5%</i>
• IndoAgri	21.8%	22.4%		22.3%
• Lonsum	23.4%	-		23.3%
<b>PK Production ('000 MT)</b>	<b>119</b>	<b>47</b>	<b>153%</b>	<b>85</b>
• IndoAgri	62	47	31%	69
• Lonsum	57	-	-	16
<i>PK Extraction Rate (%)</i>	<i>5.2%</i>	<i>4.9%</i>		<i>5.0%</i>
• IndoAgri	4.9%	4.9%		4.9%
• Lonsum	5.5%	-		5.2%

\* Include Lonsum production for only 2 months

# Production Capacity as of 30 Sep 2008

Facilities	Riau	North Sumatra	South Sumatra	Java	Kalimantan	Sulawesi	Total	Annual processing capacity (tonnes)	
Palm Oil Mill	6	4	6	-	2	-	18	3,756,000	FFB
Copra Crushing	-	-	-	-	-	3	3	270,000	Copra
Refineries									
-Refinery	-	1	-	2	-	1	4	885,000	CPO
-Fractionation	-	1	-	2	-	1	4	544,500	RBDPO
-Margarine	-	-	-	2	-	-	2	328,500	Margarine
Crumb rubber factories	-	1	2	-	-	1	4	42,720	Dry rubber
Sheet rubber factories	-	1	1	-	-	1	3	11,100	Dry rubber
Cocoa factories	-	-	-	1	-	-	1	3,750	Dry beans
Tea factory	-	-	-	1	-	-	1	1,728	Black tea
<b>Total</b>	<b>6</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>2</b>	<b>7</b>	<b>40</b>		

# Contact Us

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**THANK YOU**