

PRESS RELEASE

IndoAgri posts 1H2009 EBITDA of Rp1.5 trillion (S\$204 million) amidst rebound of Crude Palm Oil (CPO) prices

- 2Q09 EBITDA of Rp857 billion up 31% vs 1Q09 on a 24% increase in average CPO selling prices and foreign currency gains
- 2Q09 CPO production up 10% vs 2Q08 to 178,000 tonnes
- Dominant player in branded cooking oil and margarine market in Indonesia. Branded margarine sales volume improved 9% 1H2009 vs 1H2008

SINGAPORE – 14 August 2009 – SGX Main board-listed IndoAgri (“the Group”), a major vertically integrated agribusiness group and manufacturer of leading brands of edible oils and fats in Indonesia, has posted a 1H2009 EBITDA of Rp1.5 trillion (S\$204 million) amidst a rebound of Crude Palm Oil (CPO) prices in 2Q2009. Average CPO selling prices of the Group have recorded a 24% increase quarter-on-quarter (2Q2009 vs 1Q2009).

FINANCIAL HIGHLIGHTS

	Rp' billion						S\$' million ¹	
	2Q09	1Q09	2Q09 vs 1Q09	1H09	1H08	1H09 vs 1H08	1H09	1H08
Revenue	2,289	1,995	14.7%	4,284	6,120	(30.0%)	580	829
Gross Profit	768	822	(6.6%)	1,590	2,373	(33.0%)	215	321
Gross Margin (%)	33.5%	41.2%		37.1%	38.8%	-	37.1%	38.8%
EBITDA ²	857	652	31.4%	1,509	2,013	(25.1%)	204	273
EBITDA Margin (%)	37.4%	32.7%		35.2%	32.9%	-	35.2%	32.9%
Gains arising from changes in fair value of biological assets	593	-	n/m	593	691	(14.2%)	80	94
Profit From Operations	1,369	573	138.9%	1,942	2,575	(24.6%)	263	349
Profit Before Taxation	1,270	491	158.7%	1,761	2,410	(26.9%)	239	326
Net Profit After Tax	980	299	227.8%	1,279	1,637	(21.9%)	173	222
Attributable Net Profit	683	240	184.2%	923	1,246	(26.0%)	125	169
EPS (fully diluted)								
– Rp/S\$ cents	474	167	183.8%	641	861	(25.6%)	8.69	11.66

n.m. denotes "Not Meaningful"

¹ Converted at exchange rate of Rp7,383 to S\$1

² Earnings before interests and tax expense, depreciation and amortisation, and gain/loss from changes in fair value of biological assets.

In response to the results, Mr. Mark Wakeford, CEO and Executive Director commented, ***“We are pleased to announce that our 2Q2009 EBITDA was 31% higher than 1Q2009. CPO prices have continued to rise in 2Q2009, and were significantly off the lows of 2008. This has been driven by a weaker Argentinian soyabean crop, and strong demand for palm oil as it remains the most cost competitive vegetable oil. Our 2Q 2009 CPO production grew 10% over 2Q 2008 to 178,000 tonnes due to higher production in South Sumatra and Kalimantan. We have also continued to benefit from our integrated agribusiness model with sustainable growth, as we remain on track to achieve greater self-sufficiency for our downstream operation.”***

Given the lower selling prices of plantation crops and edible oil products, IndoAgri’s revenue declined 30% y-o-y in 1H2009. On a positive note, the Group’s margarine sales volume continued to perform well with a 9% y-o-y volume growth for 1H2009.

Group profit from operations in 1H2009 declined 24.6% y-o-y due to lower profits from Plantation and Commodity Division, driven principally by lower selling prices. This was partially offset by lower selling and distribution expenses arising from zero export taxes and net gains on foreign currency of Rp145 billion in 1H2009 versus Rp45 billion in 1H2008.

After taking into account a lower tax expense arising from a reduced corporate tax rate and the non-taxability of net gains on foreign currency, the Group reported 1H2009 net profit after tax of Rp1.3 trillion (S\$173 million), a decline of 21.9% over 1H2008.

INDUSTRY OUTLOOK AND FUTURE PLANS

With the improved global economic outlook and signs of stabilization in the commodity demand outlook, commodity prices have recovered strongly in the second quarter of 2009 where the CPO Price (Rotterdam CIF) has rebounded strongly to an average of US\$743 a tonne in 2Q2009 from US\$577 a tonne in 1Q2009. Despite this, the Group expects CPO prices to remain volatile for the rest of 2009.

On the mid-term outlook, the fundamentals of the palm oil industry remain positive as palm oil remains to be the most widely consumed amongst other edible oils such as soybean and rapeseed oils owing to its competitive cost advantage and wide range of end products. As such, the Group expects demand for palm oil to remain resilient for the rest of 2009 amidst the improving economic climate.

The Group’s commitment to R&D, strong seed breeding operations and sustainable development of plantations and palm oil production are strategies to strengthen the Group’s competitive edge. In this connection, the Group has achieved the Roundtable on Sustainable Palm Oil (RSPO) certification for its North Sumatra estates and palm oil mills in April 2009 and the Group will continue to work towards obtaining the certification for all plantations. The Group will continue to manage its cash flow and balance sheet providently while leveraging on the strength of the Group’s integrated business model.

---The End ---

ABOUT INDOAGRI.

Indofood Agri Resources Ltd. (“IndoAgri”) is a vertically integrated agribusiness group with business operations that range from research and development in the 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, cocoa and tea.

As of end June 2009, IndoAgri owns a vast land bank of 545,243 hectares spread throughout the Indonesian archipelago. Of this, 185,299 hectares and 22,022 hectares are planted with oil palm and rubber, respectively. Additionally, IndoAgri also has 9,691 hectares of other crops such as sugar, cocoa, tea and coconut.

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

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