



Company Presentation – Q3 2009 & YTD Sept 2009 Results

11 November 2009

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# Presentation Outline

1. Vision and Mission
2. Business Overview and Strategies
3. Financial Highlights
4. Plantation Highlights
5. Summary for YTD Sept 09
6. Appendix - Supplemental Information

# Vision and Mission

# Vision and Mission

## Vision:

- To become a leading integrated agribusiness, and one of the world-class agricultural research and seed breeding companies.

## Mission:

- To be a low cost producer, through high yields and cost effective and efficient operations.
- To continuously improve our people, processes and technology.
- Exceed our customer expectations, whilst ensuring the highest standards of quality.
- Recognize our role as responsible and engaged corporate citizens in all our business operations, including sustainable environmental and social practices.
- To continuously increase stakeholders' value.

# Business Overview and Strategies



# Integrated Agribusiness Group with Leading Brands

## Research & Development



## Oil Palm Seed Breeding



## Plantations



## Palm Oil / Copra Mills



## Refineries



## Finished Products



## Distribution



**Capture Value from Seeds to Consumers**

# Operations Overview and Strategies

- One of the largest plantation owners in Indonesia with 539,287 ha land bank, of which 219,631 ha are planted.
  - Oil palm remains our dominant crop, followed by rubber.
  - Large unplanted land bank for future plantings.
  - 40% are young oil palm trees below 7 years old – FFB volume growth will continue.
  - Mature oil palm estates in North Sumatra and Riau account for 66% of mature estates, with lowest cost of production.
  - YTD 09 CPO production at 539,000mt, 4% higher than YTD 08
  - Committed to high standards of environmental and social ethic. Achieved RSPO certification for North Sumatra estates and factories, accounting for approximately 170,000mt of CPO production per annum.
- Expand sugar cane planted area to 18,600ha by 2011. Construct 8,000 ton cane per day sugar refinery, target completion Q3 2010.

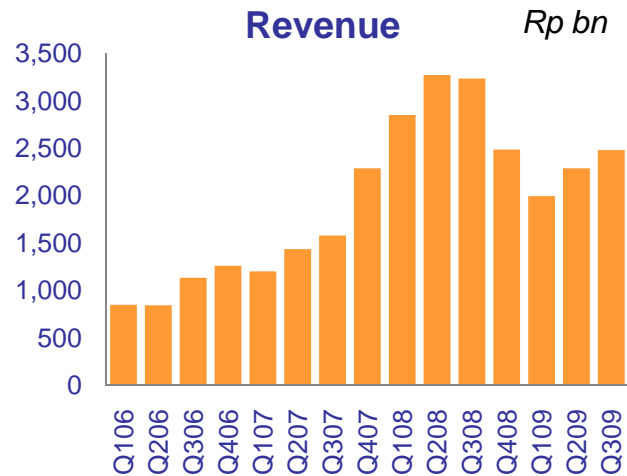


## Operations Overview and Strategies (cont.)

- Leading market shares in Indonesia branded cooking oil & margarine markets.
  - Supported by strong sales and marketing expertise and deep market penetration.
  - Strong brand's identity and loyalty in both domestic and industrial markets.
  - To construct a new refinery in Jakarta with 420,000 MT/yr refining capacity, target completion in Q4 2010.
- Continue to manage our cash flow prudently, optimise our capital structure, and investing strategically in our future growth.
  - On track to issue Rupiah Bonds up to Rp1.0 trillion to refinance existing loans and Islamic Lease-based bond of Rp250 billion for working capital.

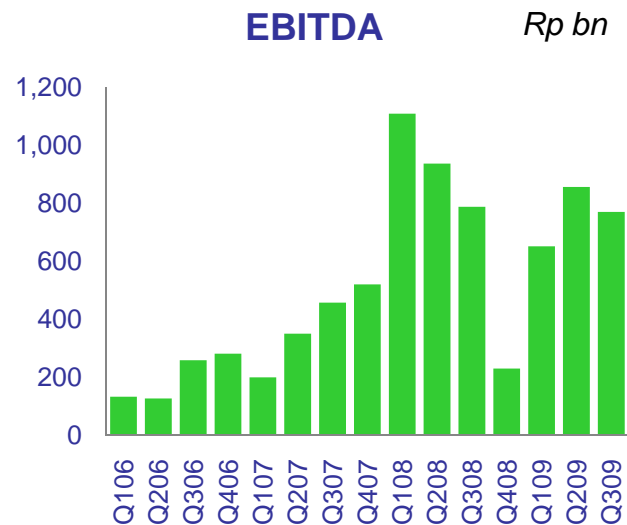
# Financial Highlights

# Results Summary –YTD Sept 09



## Q309 vs Q209

- Revenue increased by 8%
- EBITDA margin lower at 31% (vs 37%)
- CPO sales volume up 16% QOQ to 190,756mt
- CPO selling price down 11% QOQ to Rp6,396/kg
- Lower forex gains of Rp106bn (vs Rp240bn)



## YTD 09 vs YTD 08

- Revenue lower by 28%
- EBITDA margin higher at 34% (vs 30%)
- Margarine sales volume up 6%
- CPO selling price down 18% to Rp6,467/kg
- Higher forex gains of Rp251bn (vs Rp19bn)

# YTD09 EBITDA margin grow to 34%

Description	Rp bn					
	YTD09	YTD08*	YTD Growth	Q309	Q209	QOQ Growth
Sales	6,765	9,355	(28%)	2,481	2,289	8%
EBITDA	2,279	2,779	(18%)	771	857	(10%)
<i>EBITDA %</i>	<b>34%</b>	30%		<b>31%</b>	37%	
Gains arising from changes in fair value of biological assets	593	691	(14%)	-	593	n/m
Operating Profit	2,619	3,249	(19%)	677	1,369	(51%)
<i>Operating Profit %</i>	<b>39%</b>	35%		<b>27%</b>	60%	
Net Profit – equity holders of the Company	1,239	1,539	(20%)	316	683	(54%)
<i>Net Profit %</i>	<b>18%</b>	16%		<b>13%</b>	30%	
Net Profit to equity holders of the Company excluding net effect of fair value gain or losses on biological assets	962	1,178	(18%)	316	405	(22%)
Earnings per Share (fully diluted) Rp	861	1,063	(19%)	220	474	(54%)

•Figures have been reinstated to conform with YTD09 presentation due to Lonsum's harmonisation of its accounting policies with the Group

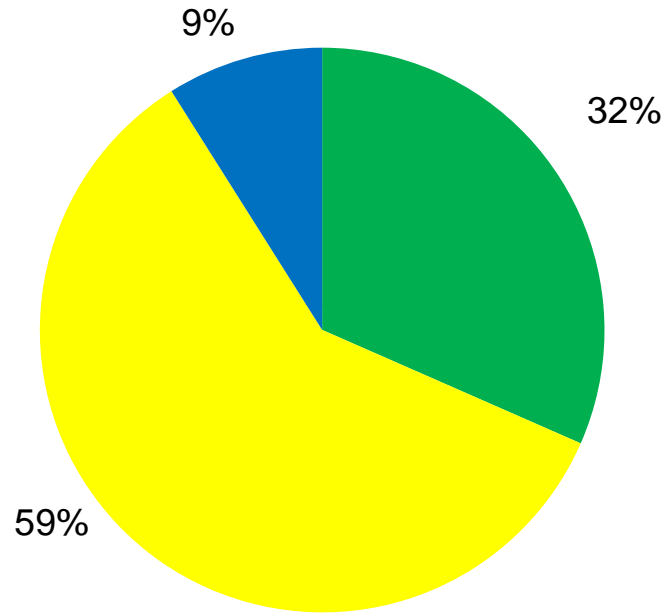
# EBITDA margin before forex gains remains stable at 30%

YTD	<i>Rp bn</i>					
	SALES		EBITDA		EBITDA%	
	09	08	09	08	09	08
<b>Plantations</b>	<b>4,274</b>	<b>5,452</b>	<b>1,760</b>	<b>2,638</b>	<b>41%</b>	<b>48%</b>
IndoAgri	2,003	2,492	939	1,495	47%	60%
Lonsum	2,271	2,960	821	1,143	36%	39%
<b>Cooking Oil &amp; Fats</b>	<b>4,023</b>	<b>5,247</b>	<b>207</b>	<b>212</b>	<b>5%</b>	<b>4%</b>
<b>Commodity</b>	<b>701</b>	<b>1,352</b>	<b>(20)</b>	<b>87</b>	<b>(3%)</b>	<b>6%</b>
<b>Elimination &amp; Adjustment</b>	<b>(2,233)</b>	<b>(2,696)</b>	<b>81<sup>(1)</sup></b>	<b>(177)<sup>(1)</sup></b>	<b>n/m</b>	<b>n/m</b>
<b>EBITDA bef Forex</b>	<b>6,765</b>	<b>9,355</b>	<b>2,028</b>	<b>2,760</b>	<b>30%</b>	<b>30%</b>
<b>Net Forex Gain/Losses</b>	<b>-</b>	<b>-</b>	<b>251</b>	<b>19</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6,765</b>	<b>9,355</b>	<b>2,279</b>	<b>2,779</b>	<b>34%</b>	<b>30%</b>

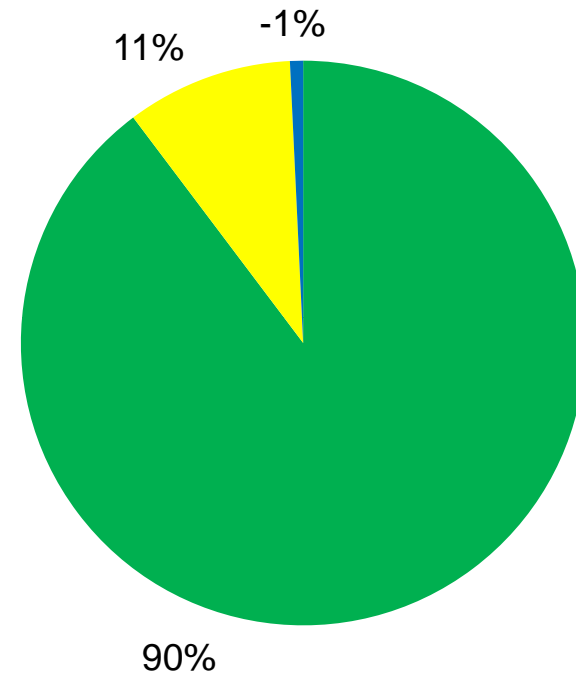
(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment and regional office costs

# Plantation remains key contributor at 90%

## YTD09 EXTERNAL SALES



## YTD09 EBITDA\*



- Plantations
- Cooking Oil & Fats
- Commodity

\* EBITDA before eliminations and forex gains

# Sales Volume Breakdown

	YTD 09	YTD 08	YTD Growth	Q3 09	Q2 09	QOQ Growth
<b>Plantation ('000MT)</b>						
• CPO	526	531	(1%)	191	164	16%
• Palm Kernel	124	115	8%	45	43	7%
• Rubber	19	21	(9%)	7	7	(4%)
• Sugar Cane	242	-	-	242	-	-
<b>Cooking Oil &amp; Fats Volume ('000MT)</b>						
• Cooking Oil	299	327	(9%)	102	99	3%
• Margarine	131	124	6%	43	43	1%
<b>Commodity Volume ('000MT)</b>						
• Coconut Oil & Derivatives	66	85	(22%)	31	21	45%

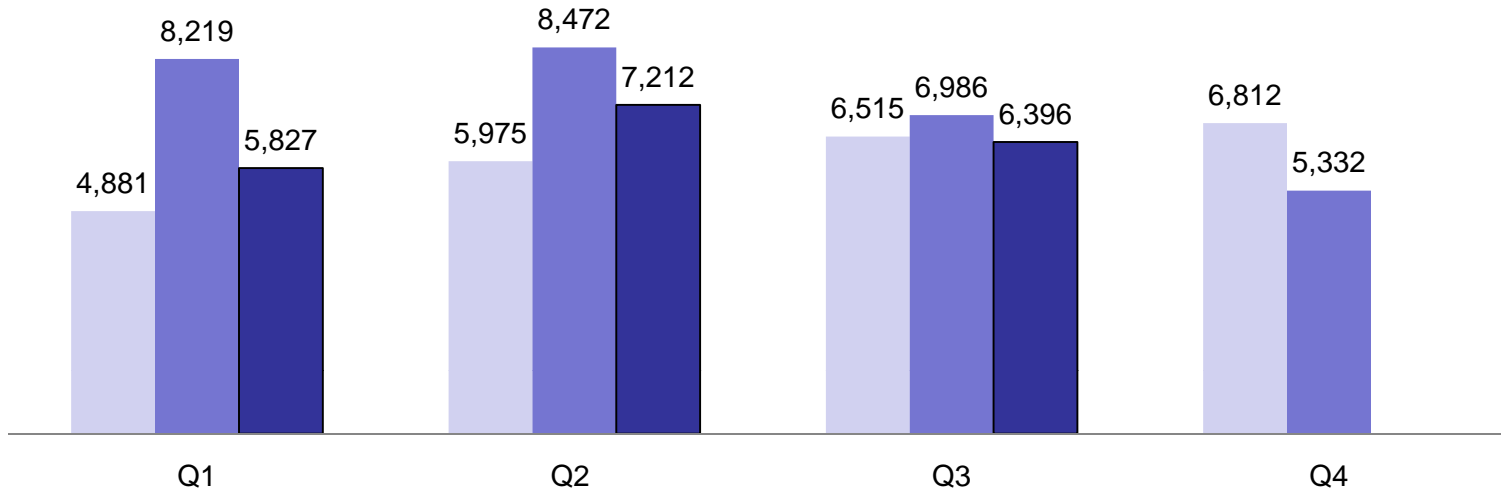


# CPO and Palm Kernel Ave. Selling Price

In Rp / kg

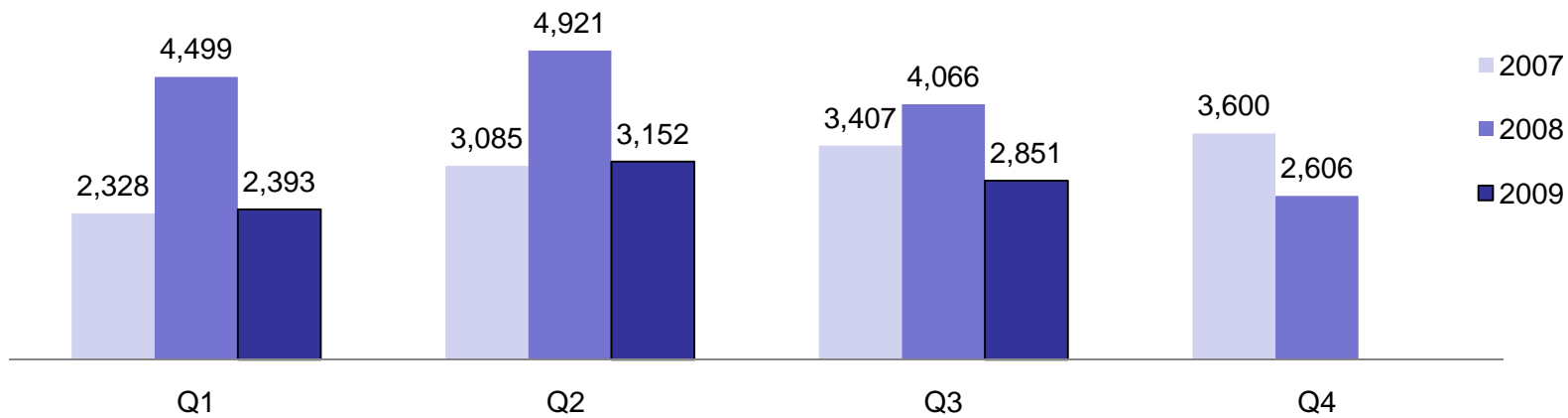
## CPO Average Selling Price

Q309 vs Q209



**Dec  
11%**

## Palm Kernel Average Selling Price



■ 2007  
■ 2008  
■ 2009

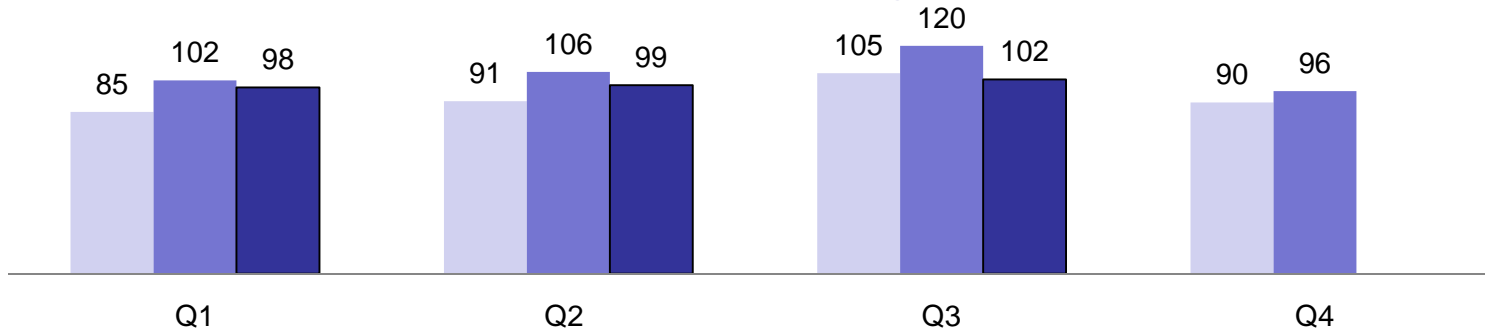
**Dec  
10%**

# Cooking Oil & Fats Sales

In '000 MT

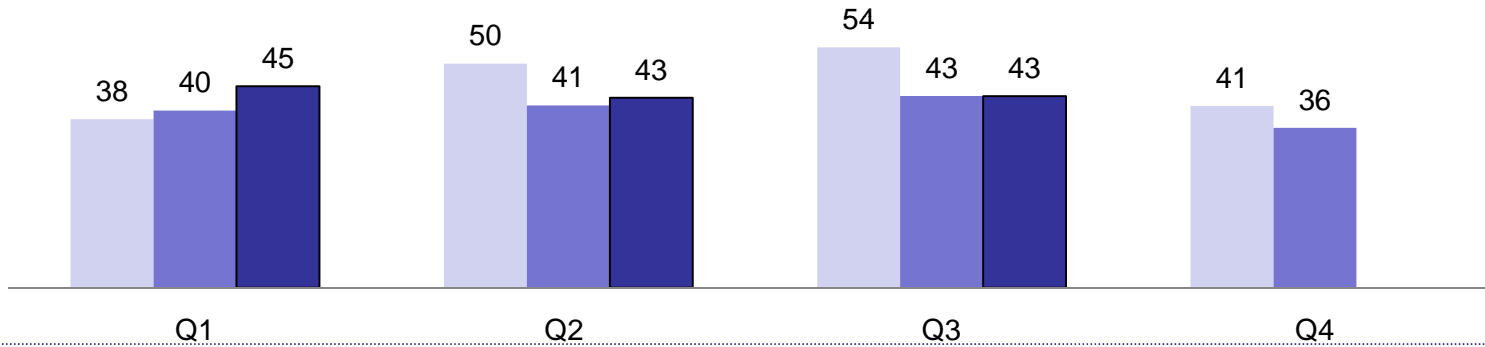
YTD 09 vs YTD 08

### Sales Volume Cooking Oil



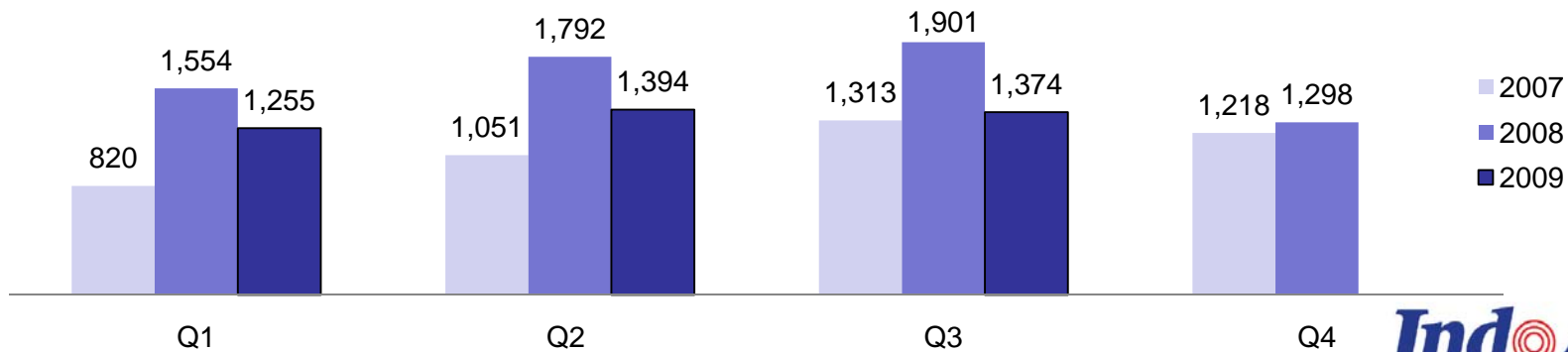
**Dec 9%**

### Sales Volume Margarine



**Inc 6%**

### Total Sales Value (Rp bn)

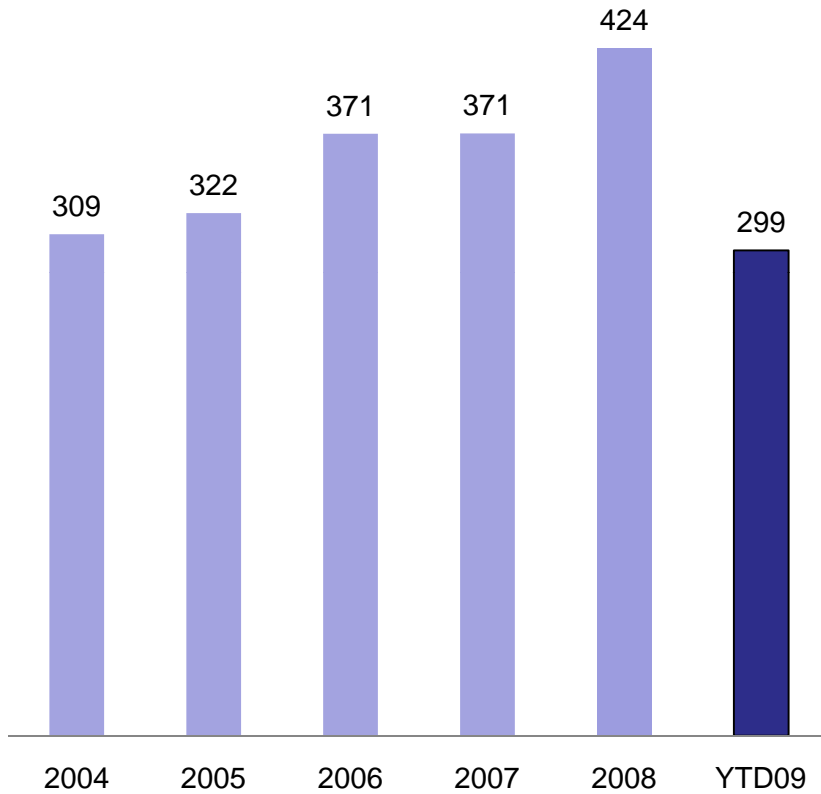


**Dec 23%**

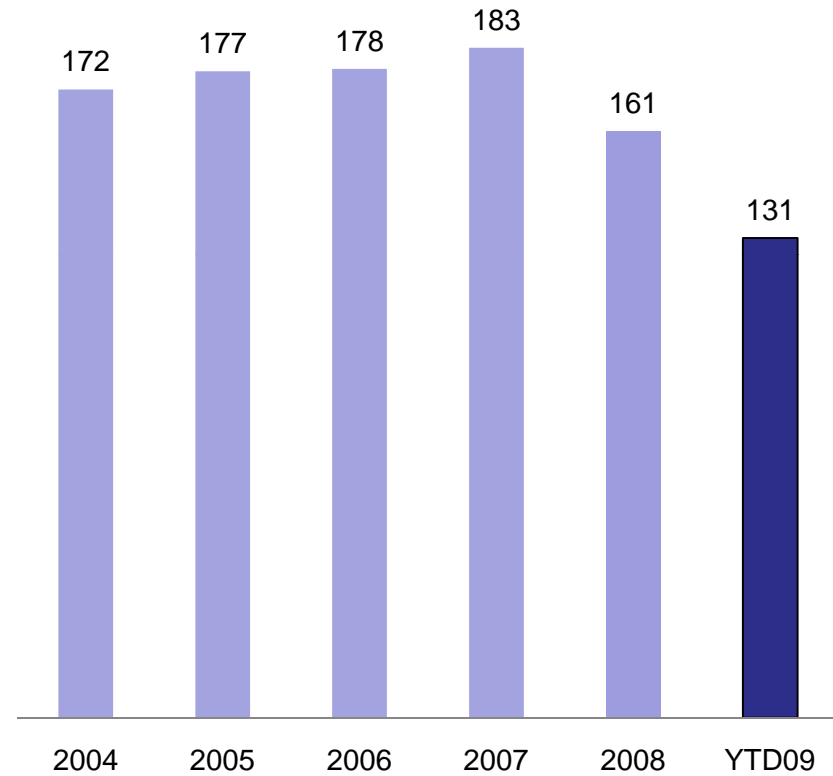
# Annual Cooking Oil & Fats Sales Volume

In '000 MT

## Cooking Oil

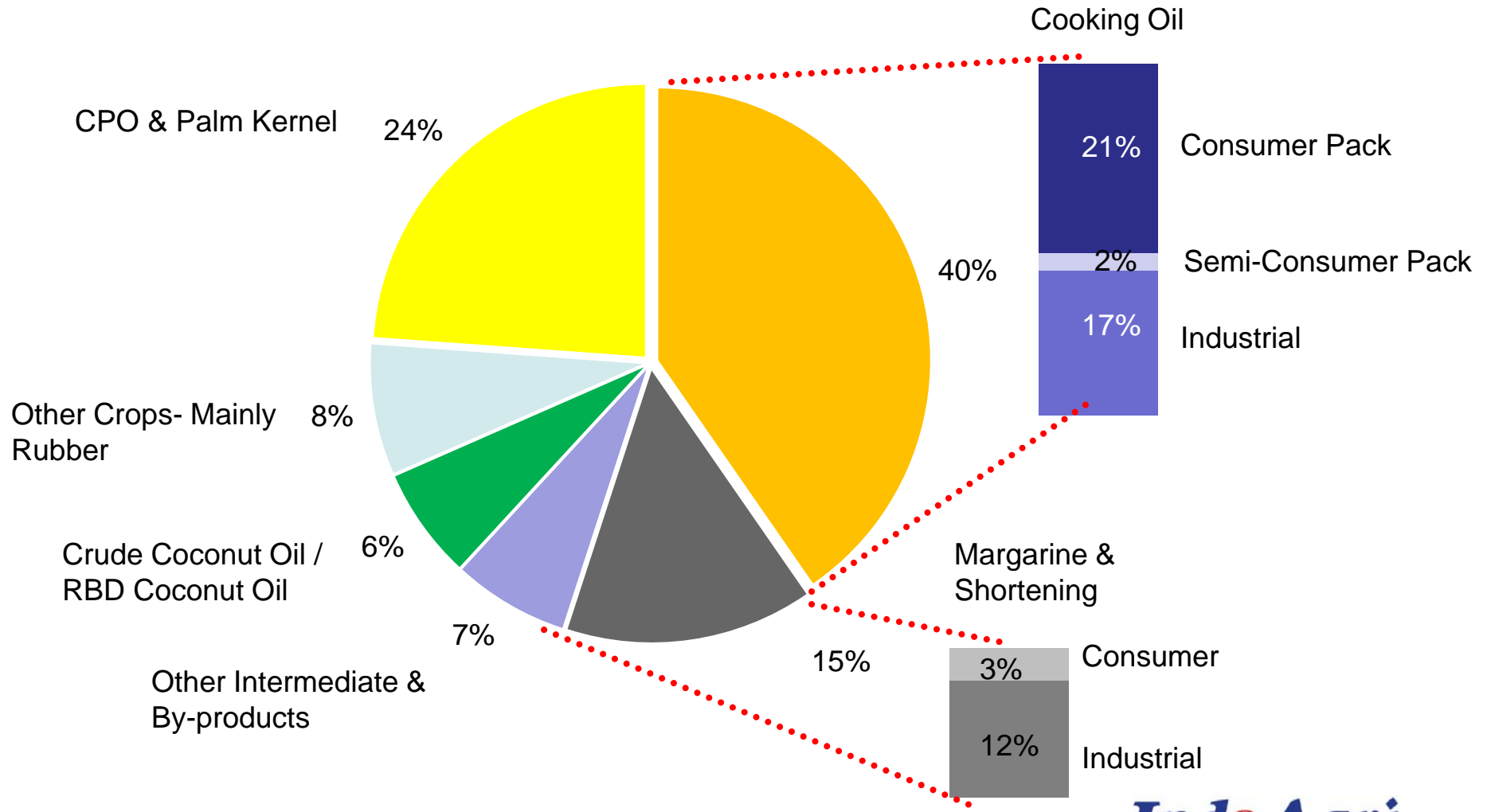


## Margarine



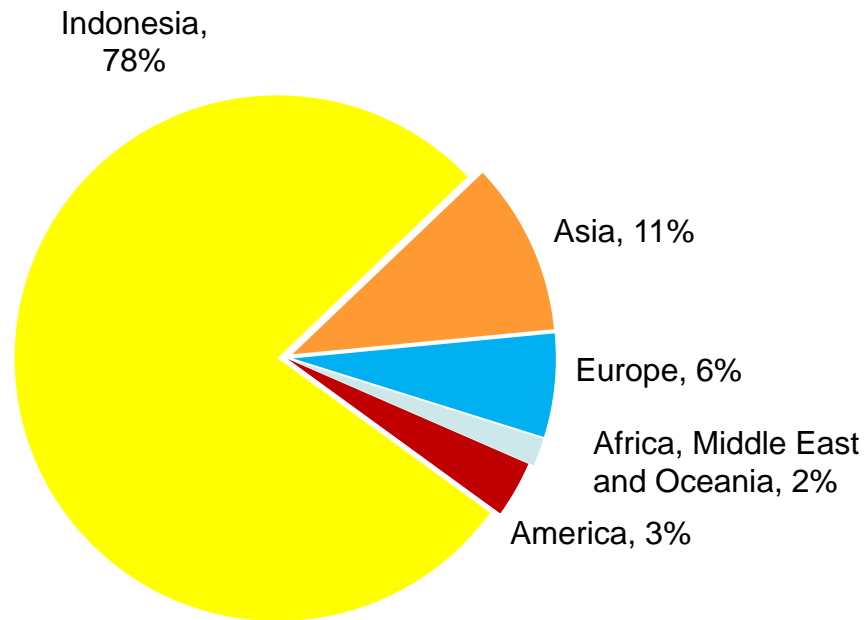
# Diversified end-user market

## External Sales- YTD 09

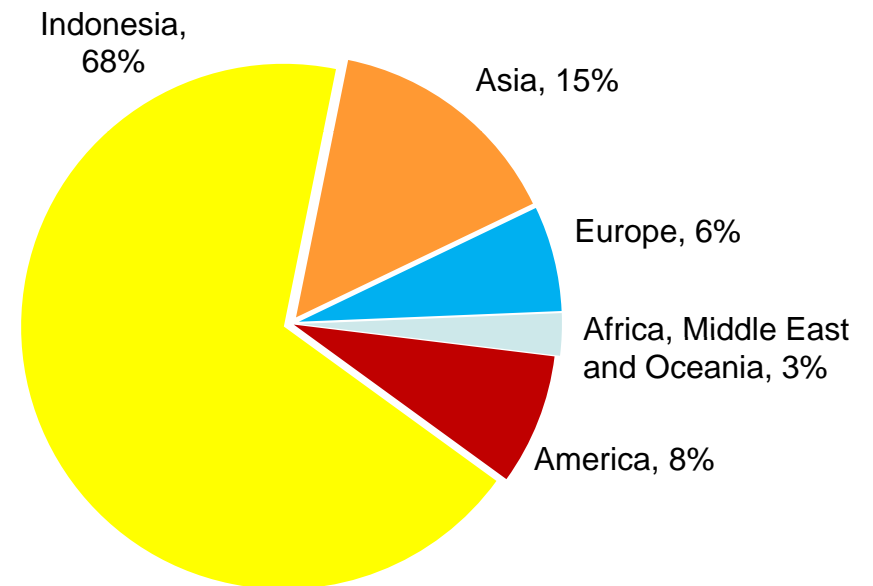


# Domestic revenue contribution rose to 78%

## YTD 09



## YTD 08



# On track to issue Rupiah bond to refinance borrowings

*Rp bn*

Description	30 Sept 2009	31 Dec 2008
<b>TOTAL ASSETS</b>	<b>23,501</b>	<b>20,863</b>
Cash	1,799	2,408
<b>TOTAL LIABILITIES</b>	<b>10,986</b>	<b>9,887</b>
Interest Bearing Debt	7,403	6,257
<b>TOTAL EQUITY*</b>	<b>12,515</b>	<b>10,976</b>
Net Debt / EBITDA Ratio (Annualised)	1.8x	1.2x
Net Debt / Total Equity* Ratio	0.45x	0.35x
Net Assets Value per Share ( in Rupiah)	6,367	5,506

\* Total equity includes shareholders funds and minority interests.

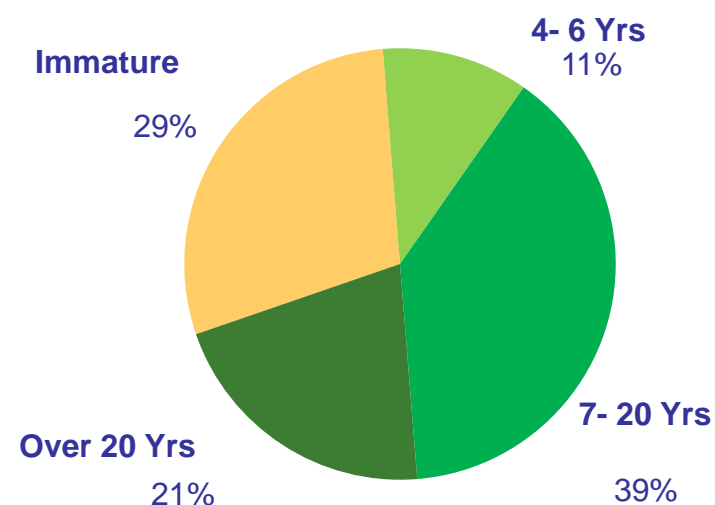
# Plantation Highlights



# Large plantation land bank

In Ha	30 Sept 2009	31 Dec 2008	Increase
<b>Total Land Bank</b>	<b>539,287</b>	<b>539,016</b>	<b>271</b>
Planted <sup>(1)</sup>	219,631	213,328	6,303
Unplanted	319,656	325,688	(6,032)
<b>Planted Oil Palm<sup>(1)</sup></b>	<b>187,242</b>	<b>183,113</b>	<b>4,129</b>
Mature	132,560	124,169	8,391
Immature	54,682	58,944	(4,262)
<b>Other Crops</b>			
Rubber	22,022	22,410	(388)
Sugar	6,690	4,174	2,516
Cocoa	2,727	2,748	(21)
Others	950	883	67

## Plantations Profile



Average age = 12 years

(1) Exclude plasma area. As at 30 September 2009, the Group has approximately 77,000 ha of planted plasma area.

# Oil Palm Plantation Highlights

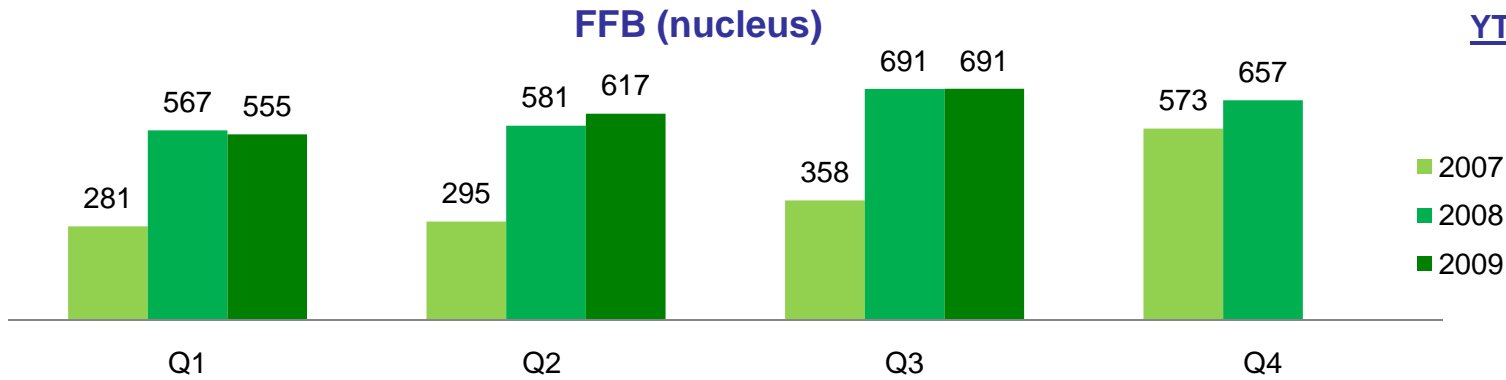
	YTD 09	YTD 08	YTD Growth	Q309	Q209	QOQ Growth
<b>Planted Area<sup>(1)</sup> (Ha)</b>	187,242	173,059	8%	187,242	185,299	1%
<b>Mature Area<sup>(1)</sup> (Ha)</b>	132,560	124,173	7%	132,560	130,510	2%
<b>FFB ('000 MT)</b>	2,412	2,344	3%	892	798	12%
- Nucleus production	1,863	1,839	1%	691	617	12%
- Purchase from Plasma & 3 <sup>rd</sup> Parties	549	505	9%	201	181	11%
<i>FFB Yield – Nucleus (MT/Ha)</i>	14.1	14.8		5.2	4.7	
<b>CPO Production ('000 MT)</b>	539	519	4%	199	178	12%
<i>CPO Extraction Rate (%)</i>	22.8%	22.6%		22.6%	22.9%	
<i>CPO Yield – Nucleus (MT/Ha)</i>	3.2	2.3		1.2	1.1	
<b>PK Production ('000 MT)</b>	128	119	7%	47	42	11%
<i>PK Extraction Rate (%)</i>	5.4%	5.2%		5.3%	5.4%	

(1) Exclude plasma area. As at 30 September 2009, the Group has approximately 77,000 ha of planted plasma area.

# Oil Palm Plantation Production

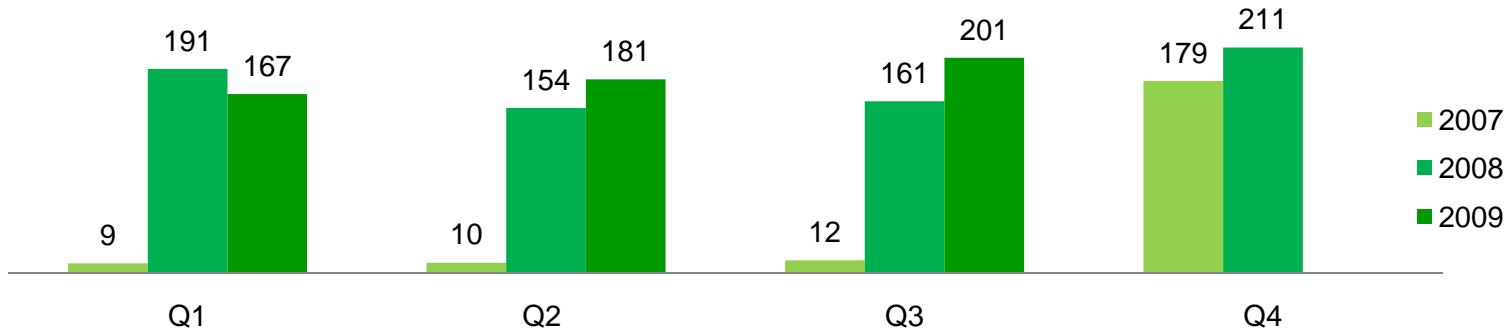
In '000 MT

YTD 09 vs YTD 08



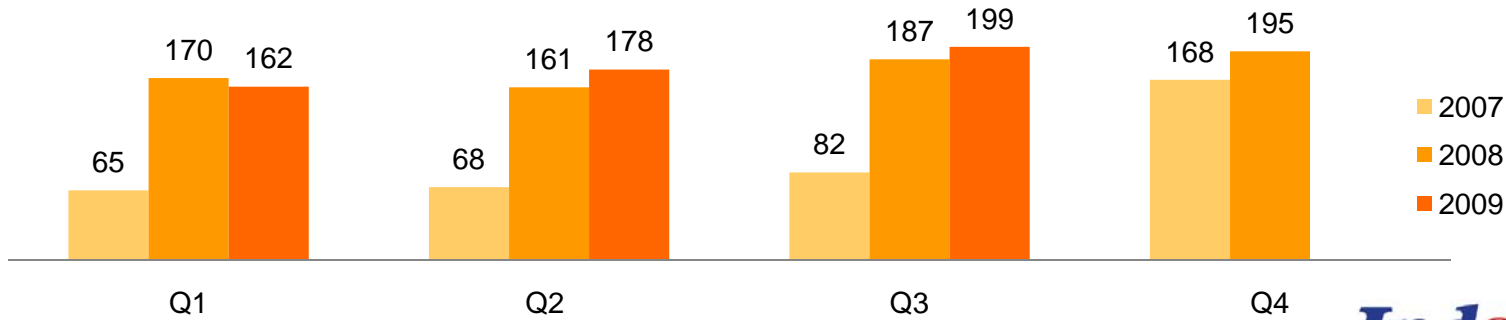
**Inc  
1%**

### FFB Purchase from Plasma and 3<sup>rd</sup> Parties



**Inc  
9%**

### Total CPO

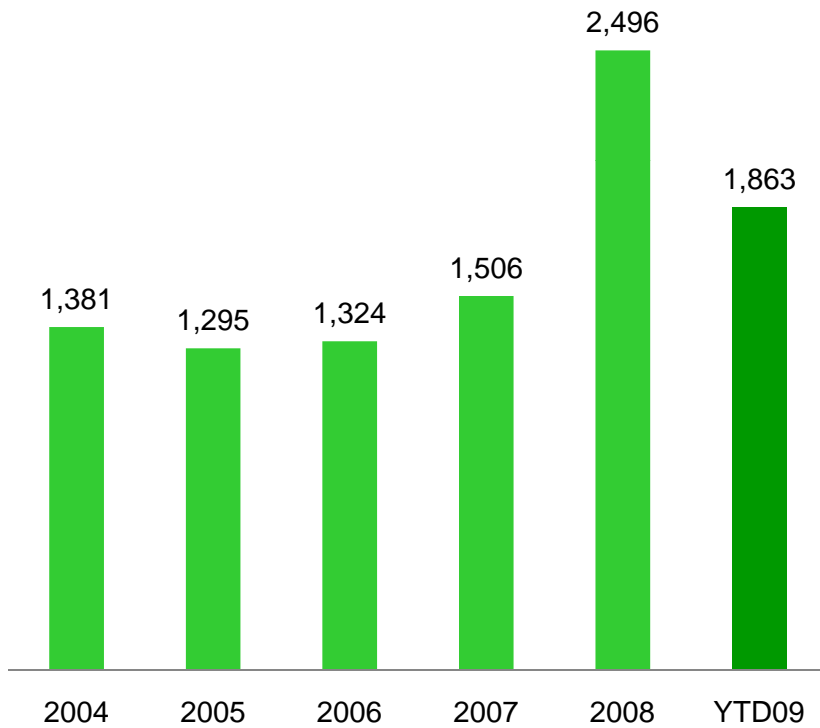


**Inc  
4%**

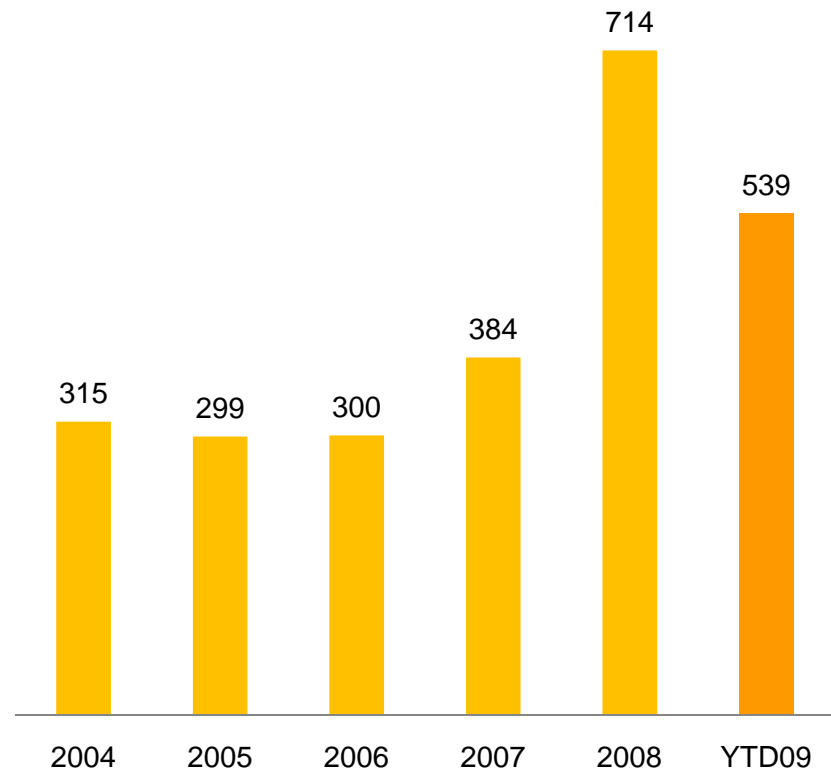
# Annual Oil Palm Plantation Production

In '000 MT

## FFB (Nucleus)



## CPO (Total)



# Summary for YTD Sept 09

# Summary for YTD Sept 09

## Group Results (YTD09 vs YTD09)

- Revenue lower by 28%
- EBITDA margin higher at 34% (vs 30%)
- Margarine sales volume up 6%
- CPO selling prices down 11% to Rp6,396/kg
- Lower forex gains of Rp106bn (vs Rp240bn)

## Plantations

- YTD 09 EBITDA margin adjusted for forex gains remained attractive at 41%
- Fertilizer prices for YTD09 on average 30% lower vs FY2008
- CPO production grew 4% in YTD 09 on higher production in South Sumatra (+11%) and Kalimantan (+40%)
- Oil palm planted area increased by 4,129ha

## Cooking Oil & Fats

- Margarine sales volume grew 6% in YTD 09
- YTD 09 cooking oil sales volume fell 9%, partly due to the timing of Ramadan Holiday in Sept 09 vs Oct last year

# Strategy for 2009/2010

## Expansion

- Strong FFB growth moving forward, with 54,682ha of immature oil palm plantation
- Completed two 45mt FFB per hour palm oil mills in Kalimantan in July 2009
- To complete construction of Jakarta refinery with 420,000mt annual refining capacity in Q4 2010
- To complete construction of 8,000 ton cane per day sugar refinery in Q3 2010

## Cash flow management

- Will continue to manage balance sheet and cash flow prudently, with strong emphasis on cost management, and being a low cost producer
- On track to issue Rupiah Bonds up to Rp1.0 trillion to refinance existing loans and Islamic Lease-based bond of Rp250 billion for working capital.



# Appendix

## Supplemental Information

# Plantation Highlights

	YTD 09	YTD 08	YTD Growth	Q309	Q209	QOQ Growth
<b>FFB Production Nucleus ('000MT)</b>	<b>1,863</b>	<b>1,839</b>	<b>1%</b>	<b>691</b>	<b>617</b>	<b>12%</b>
• IndoAgri	1,017	1,089	(7%)	365	338	8%
• Lonsum	846	750	13%	326	279	17%
<b>FFB Purchased from Plasma &amp; 3<sup>rd</sup> Parties ('000 MT)</b>	<b>549</b>	<b>505</b>	<b>9%</b>	<b>201</b>	<b>181</b>	<b>11%</b>
• IndoAgri	215	166	29%	81	69	18%
• Lonsum	334	339	(1%)	120	112	7%
<b>FFB Yield (MT / Ha)</b>	<b>14.1</b>	<b>14.8</b>		<b>5.2</b>	<b>4.7</b>	
• IndoAgri	14.4	16.3		5.2	4.7	
➤ Riau	17.3	18.9		6.2	5.7	
• Lonsum	13.7	13.1		5.3	4.7	
➤ North Sumatra	16.8	15.9		6.6	5.4	

## Plantation Highlights (Cont.)

	YTD09	YTD08	YTD Growth	Q309	Q209	QOQ Growth
<b>CPO Production ('000MT)</b>	<b>539</b>	<b>519</b>	<b>4%</b>	<b>199</b>	<b>178</b>	<b>12%</b>
• IndoAgri	272	274	(1%)	97	90	8%
• Lonsum	267	245	9%	102	88	16%
<i>CPO Extraction Rate (%)</i>	<i>22.8%</i>	<i>22.6%</i>		<i>22.6%</i>	<i>22.9%</i>	
• IndoAgri	22.1%	21.8%		21.9%	22.2%	
• Lonsum	23.6%	23.4%		23.3%	23.7%	
<b>PK Production ('000 MT)</b>	<b>128</b>	<b>119</b>	<b>7%</b>	<b>47</b>	<b>42</b>	<b>11%</b>
• IndoAgri	61	62	(1%)	22	20	9%
• Lonsum	67	57	17%	25	22	13%
<i>PK Extraction Rate (%)</i>	<i>5.4%</i>	<i>5.2%</i>		<i>5.3%</i>	<i>5.4%</i>	
• IndoAgri	4.9%	4.9%		4.9%	4.9%	
• Lonsum	5.9%	5.5%		5.8%	6.0%	

# Land Bank Statement

<b>Land Bank (hectares)</b>	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
Riau	60,985	60,984
North Sumatra	42,454	42,454
South Sumatra	208,387	209,538
West Kalimantan	91,402	92,207
East Kalimantan	90,075	90,049
Central Kalimantan	33,700	31,500
Java	5,708	5,708
Sulawesi	6,576	6,576
<b>Total</b>	<b>539,287</b>	<b>539,016</b>

# Hectare Statement – Sept 2009

Oil Palm Plantations Location	Mature (hectares)	Immature (hectares)	Total Planted Area	
Riau	56,273	259	56,532	} 77%
North Sumatra	31,053	3,760	34,813	
South Sumatra	26,997	25,165	52,162	
West Kalimantan	13,685	8,193	21,878	} 23%
East Kalimantan	4,552	17,305	21,857	
<b>Total</b>	<b>132,560</b>	<b>54,682</b>	<b>187,242</b>	

Crop	Mature (hectares)	Immature (hectares)	Total Planted Area	
Oil palm	132,560	54,682	187,242	} 85%
Rubber	17,734	4,288	22,022	
Sugar	6,690	-	6,690	} 10%
Cocoa	2,369	358	2,727	
Others	602	348	950	
<b>Total</b>	<b>159,955</b>	<b>59,676</b>	<b>219,631</b>	} 5%

# Production Capacity as of 30 Sept 2009

Facilities	Riau	North Sumatra	South Sumatra	Java	Kalimantan	Sulawesi	Total	Annual processing capacity (tonnes)	
Palm Oil Mill	6	4	6	-	4	-	20	4,536,000	FFB
Copra Crushing	-	-	-	-	-	3	3	270,000	Copra
<b>Refineries</b>									
-Refinery	-	1	-	2	-	1	4	1,005,000	CPO
-Fractionation	-	1	-	2	-	1	4	525,000	RBDPO
-Margarine	-	-	-	2	-	-	2	328,500	Margarine
<b>Crumb rubber factories</b>									
	-	1	2	-	-	1	4	42,720	Dry rubber
<b>Sheet rubber factories</b>									
	-	1	1	-	-	1	3	11,100	Dry rubber
<b>Sugar factory</b>									
	-	-	-	1	-	-	1	540,000	Sugar Cane
<b>Cocoa factories</b>									
	-	-	-	1	-	-	1	3,750	Dry beans
<b>Tea factory</b>									
	-	-	-	1	-	-	1	1,728	Black tea
<b>Total</b>	<b>6</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>4</b>	<b>7</b>	<b>43</b>		

# Contact Us

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**THANK YOU**