

FOR IMMEDIATE RELEASE

IndoAgri posts another consecutive quarter of strong results with 2Q14 attributable profit of Rp224 billion (S\$24 million)

HIGHLIGHTS:

- 2Q14 revenue up 19% yoy on strong recovery in commodity prices for palm products and higher external sales from Edible Oils & Fats Division
- Operating profit up 286% yoy on strong profit contribution from Plantation Division
- Attributable profit grew strongly in 2Q14, up 240% yoy
- Strong production growth for nucleus FFB and CPO in 1H14, up 18% and 25% yoy

SINGAPORE – 25 July 2014 – SGX Main board-listed IndoAgri (the “Group”), a diversified and integrated agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, posted 2Q14 revenue of Rp3,998 billion (S\$429 million), up 19% yoy on recovery in average selling prices, as well as higher external sales from EOF Division. On year-to-date basis, revenue likewise came in higher for similar reasons.

	Rp' billion						S\$' million ¹			
	2Q14	2Q13	Change %	1H14	1H13	Change %	2Q14	2Q13	1H14	1H13
Revenue	3,998	3,358	19.0	7,169	6,455	11.1	429	360	769	692
Gross profit	1,237	539	129.4	2,124	1,176	80.6	133	58	228	126
Gross margin (%)	30.9%	16.1%		29.6%	18.2%		30.9%	16.1%	29.6%	18.2%
EBITDA ²	1,002	396	152.8	1,656	846	95.7	107	43	178	91
EBITDA margin (%)	25.1%	11.8%		23.1%	13.1%		25.1%	11.8%	23.1%	13.1%
Profit from operations	698	181	285.9	1,272	483	163.3	75	19	136	52
Profit before taxation	567	99	471.2	1,032	329	213.3	61	11	111	35
Net profit after tax	375	67	459.2	717	220	225.6	40	7	77	24
Attributable profit	224	66	239.9	406	173	135.0	24	7	44	19
EPS (fully diluted) - Rp/S\$ cents	158	46	243.5	286	120	137.8	1.7	0.5	3.1	1.3

¹ Income Statement and Balance Sheet items are converted at exchange rates of Rp9,322/S\$1 and Rp9,583/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 gains.

Operating profit grew 286% yoy in 2Q14 on strong profit contribution from Plantation Division, reflecting principally higher average selling prices of palm products. However, the increase was partly offset by higher G&A and forex losses during the quarter. On year-to-date basis, Plantation Division likewise contributed positively to the Group's operating profit, but partly offset by higher G&A expenses.

The Group reported strong attributable profit in 2Q14 and 1H14, registering 240% and 135% over the same periods last year on higher operating profit, but partly offset by higher financial expenses.

“The Group achieved another strong set of 2Q14 results following the strong recovery in commodity prices for palm products and cooking oil and margarine. Our EOF Division reported a 26% revenue growth in 1H14 over the same period last year. The stronger sales was attributable to higher average selling prices for edible oil products and higher sales volume of cooking oil and margarine. We saw some recovery in our EOF Division's EBITDA earnings following the price increase for cooking oil and margarine with effect from April 2014. On the production front, we achieved strong FFB nucleus production of 1,488,000 tonnes in 1H14, up 18% yoy on higher production from South Sumatra and Kalimantan. CPO production grew 25% yoy to 444,000 tonnes in 1H14 arising from higher nucleus production as well as higher purchases of FFB from external parties.”, commented Mr Mark Wakeford, CEO and Executive Director.

INDUSTRY OUTLOOK AND FUTURE PLANS

In 1H2014, CPO prices (CIF Rotterdam) recovered to an average of US\$895 per tonne compared to averaged US\$857 per tonne in 2013. The recent CPO price increase was supported by seasonally lower production in the first half of the year and concerns over the dry weather in 1Q 2014 which may affect the palm production in the near term. Nonetheless, Indonesia has become one of the largest consumers of palm oil together with China and India given its vast and growing population base of over 240 million people. We also expect the higher biodiesel blending mandate of 10%, announced by Indonesia's government in September 2013, to sustain domestic demand growth for palm oil products.

Rubber prices (RSS3 SICOM) continues to sustain pressure on higher rubber production coming from Thailand and Indonesia in 2013. Rubber prices fell over 20% at the beginning of the year to an average of US\$2,185 per tonne in 1H2014 compared to an average of US\$2,795 per tonne in 2013. According to a leading agriculture research firm, LMC International, rubber production is expected to slow down in 2014 as producers respond to lower prices, but the demand will continue to grow driven by growth from developed markets and China.

Indonesia remains a net importer of sugar. The domestic sugar price in Indonesia is above the international market as the government operates a strict import quota system for sugar, restricting imports when domestic prices fall below the government-mandated floor price of Rp8,250 per kilogram which took effect since May 2014. By tapping into the efficiency and yield of sugar production in Brazil, we are positioning the Group to capture these opportunities with our sugar investments. Moving forward, we expect that the direction for global sugar prices will be strongly influenced by production levels in Brazil, Thailand and India, together with the Brazilian government policies on ethanol.

--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 June 2014, IndoAgri has 294,673 hectares planted with oil palm, rubber, sugar cane, cocoa and tea.

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