

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

1(a)(i) A comprehensive income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group – Q3			Group – YTD 9 months		
	30/09/2015	30/09/2014	Change	30/09/2015	30/09/2014	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,268,441	3,601,683	(9.3)	10,060,270	10,770,238	(6.6)
Cost of sales	(2,446,960)	(2,685,293)	(8.9)	(7,600,169)	(7,729,688)	(1.7)
Gross Profit	821,481	916,390	(10.4)	2,460,101	3,040,550	(19.1)
Gross Profit %	25.1%	25.4%		24.5%	28.2%	
Selling and distribution costs	(115,403)	(101,937)	13.2	(348,135)	(310,496)	12.1
General and administrative expenses	(264,269)	(276,127)	(4.3)	(804,562)	(832,750)	(3.4)
Foreign exchange losses	(321,918)	(55,063)	n/m	(481,789)	(60,919)	n/m
Other operating income	30,570	7,987	282.7	81,127	75,844	7.0
Other operating expenses	(49,595)	(91,420)	(45.8)	(130,134)	(174,258)	(25.3)
Share of results of associate companies	(21,166)	(20,488)	3.3	(37,474)	(59,452)	(37.0)
Share of results of a joint venture	(43,240)	44,352	n/m	(158,262)	17,548	n/m
Profit from operations	36,460	423,694	(91.4)	580,872	1,696,067	(65.8)
Financial income	19,035	57,065	(66.6)	92,865	168,783	(45.0)
Financial expenses	(167,491)	(202,054)	(17.1)	(525,046)	(554,124)	(5.2)
(Loss)/ Profit before tax	(111,996)	278,705	n/m	148,691	1,310,726	(88.7)
Income tax expense	(26,475)	(71,899)	(63.2)	(160,297)	(386,968)	(58.6)
(Net loss) / Net profit for the period	(138,471)	206,806	n/m	(11,606)	923,758	n/m
Core profit after tax (excluding foreign exchange losses)	128,553	252,927	(49.2)	386,814	972,311	(60.2)
Other comprehensive income						
Foreign currency translation	(13,775)	(53,010)	(74.0)	(31,557)	(23,332)	35.3
Actuarial loss of employee benefits liability	(1,213)	-	n/m	(2,891)	-	n/m
Total comprehensive income for the period	(153,459)	153,796	n/m	(46,054)	900,426	n/m
Net profit after tax attributable to:-						
- Owners of the Company	(153,851)	124,803	n/m	(116,760)	533,265	n/m
- Non-controlling interests	15,380	82,003	(81.2)	105,154	390,493	(73.1)
	(138,471)	206,806	n/m	(11,606)	923,758	n/m
Total comprehensive income attributable to:-						
- Owners of the Company	(172,937)	70,055	n/m	(158,490)	542,184	n/m
- Non-controlling interests	19,478	83,741	(76.7)	112,436	358,242	(68.6)
Total comprehensive income for the period	(153,459)	153,796	n/m	(46,054)	900,426	n/m

n.m. denotes "Not Meaningful"

Additional Information:-

Earnings before interests and tax expense, depreciation and amortisation, and gain/loss arising from changes in fair value of biological assets ("EBITDA")

	Group – Q3			Group – YTD 9 months		
	30/09/2015	30/09/2014	Change	30/09/2015	30/09/2014	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	36,460	423,694	(91.4)	580,872	1,696,067	(65.8)
Add: Depreciation & amortisation	287,288	258,489	11.1	728,244	635,886	14.5
EBITDA includes foreign exchange losses	323,748	682,183	(52.5)	1,309,116	2,331,953	(43.9)
Less: Foreign exchange losses	(321,918)	(55,063)	n/m	(481,789)	(60,919)	n/m
EBITDA excludes foreign exchange losses	645,666	737,246	(12.4)	1,790,905	2,392,872	(25.2)
EBITDA%	19.8%	20.5%		17.8%	22.2%	

Earnings per share (EPS) and net assets value (NAV) per share

In SGD 'cents (converted at Rp9,768/S\$1)	Group – YTD 9 months		
	30/09/2015	30/09/2014	Change %
EPS	(0.8)	3.8	n/m

In SGD 'cents (converted at Rp10,274/S\$1)	Group		
	30/09/2015	31/12/2014	Change %
NAV per share	99.3	100.5	(1.2)

1(a)(ii). Profit before income tax is arrived at after charging/(crediting) the following significant items.

Other information:-	Group – Q3			Group – YTD 9 months		
	30/09/2015	30/09/2014	Change	30/09/2015	30/09/2014	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	278,364	247,329	12.5	701,965	602,280	16.6
Amortisation of deferred charges and others	8,924	11,160	(20.0)	26,279	33,606	(21.8)
Interest on borrowings	162,564	198,862	(18.3)	511,860	542,659	(5.7)
Losses on disposal of biological assets	135	-	n/m	135	2,413	(94.4)
Changes in amortised cost of plasma receivables	24,862	64,274	(61.3)	29,453	48,448	(39.2)
Write-off of property and equipment and biological assets	(95)	72	n/m	365	1,869	(80.5)
(Gains) / losses on disposals of property and equipment	(673)	83	n/m	(1,290)	(250)	n/m
Allowance for decline in market value and obsolescence of inventories	(1,162)	4,972	n/m	3,433	11,068	(69.0)
Provision of uncollectible plasma receivables	(1)	-	n/m	(230)	-	n/m
Changes in provision for asset dismantling costs	(1,802)	951	n/m	(1,026)	959	n/m

n.m. denotes "Not Meaningful"

1(b)(i). **A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets				
Biological assets	15,618,409	15,060,646	-	-
Property, plant and equipment	11,496,683	11,026,669	48,157	50,918
Goodwill	3,253,637	3,253,637	-	-
Claims for tax refund	44,356	148,545	-	-
Deferred tax assets	1,478,780	1,152,977	-	-
Investment in subsidiary companies	-	-	10,461,855	10,327,919
Investment in associate companies	1,267,421	416,460	551,139	354,335
Investment in a joint venture	607,938	801,153	-	-
Amount due from a subsidiary	-	-	730,000	730,000
Advances and prepayments	553,665	746,606	36,698	36,698
Other non-current receivables	782,752	735,539	10	9
Total non-current assets	35,103,641	33,342,232	11,827,859	11,499,879
Current assets				
Inventories	2,262,999	1,773,329	-	-
Trade and other receivables	1,225,031	1,056,166	99,307	69,328
Advances and prepayments	319,217	165,898	751	6,398
Prepaid taxes	343,343	231,179	-	-
Cash and cash equivalents	1,944,175	3,585,780	555,799	887,447
Total current assets	6,094,765	6,812,352	655,857	963,173
Total assets	41,198,406	40,154,584	12,483,716	12,463,052
Current liabilities				
Trade and other payables and accruals	2,026,392	1,854,311	14,977	14,272
Advances and taxes payable	320,079	203,780	-	-
Interest-bearing loans and borrowings	6,150,541	4,749,195	1,097,557	-
Income tax payable	29,528	144,183	418	443
Total current liabilities	8,526,540	6,951,469	1,112,952	14,715
Non-current liabilities				
Interest-bearing loans and borrowings	4,221,539	5,068,141	-	929,793
Amounts due to related parties and other payables	437,554	590,259	-	-
Provision and other liabilities	24,173	25,199	-	-
Employee benefits liabilities	1,955,651	1,803,240	-	-
Deferred tax liabilities	2,128,545	1,999,124	-	-
Total non-current liabilities	8,767,462	9,485,963	-	929,793
Total liabilities	17,294,002	16,437,432	1,112,952	944,508
Net assets	23,904,404	23,717,152	11,370,764	11,518,544

	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Equity attributable to owners of the Company				
Share capital	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares	(390,166)	(238,263)	(390,166)	(238,263)
Revenue reserves	10,476,380	10,666,852	704,367	700,244
Other reserves	564,796	615,829	144,152	144,152
	14,235,289	14,628,697	11,370,764	11,518,544
Non-controlling interests	9,669,115	9,088,455	-	-
Total equity	23,904,404	23,717,152	11,370,764	11,518,544

1(b)(ii). Aggregate amount of the Group's borrowings and debt securities.

	Group	
	30/09/2015	31/12/2014
	Rp ' million	Rp ' million
(i) Amounts payable in one year or less, or on demand		
Secured	1,489,321	2,060,843
Unsecured	4,661,220	2,688,352
Sub-total	6,150,541	4,749,195
(ii) Amounts repayable after one year		
Secured	4,212,519	4,141,487
Unsecured	9,020	926,654
Sub-total	4,221,539	5,068,141
TOTAL	10,372,080	9,817,336

(iii) Details of the collaterals

The above bank term loans and investment loans are secured by:

- (a) corporate guarantees from a subsidiary
- (b) charge over the plantation assets of the respective subsidiary.

1(c). A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group – Q3		Group – YTD 9 months	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
(Loss)/ Profit before taxation	(111,996)	278,705	148,691	1,310,726
Adjustments :				
Depreciation and amortisation	287,288	258,489	728,244	635,886
Unrealised foreign exchange losses	280,522	52,049	487,352	35,291
Losses on disposal of biological assets	135	-	135	2,413
Changes in amortised cost of plasma receivables	24,862	64,274	29,453	48,448
Write-off of property and equipment and biological assets	(95)	72	365	1,869
Gains/(losses) on disposal of property and equipment	(673)	83	(1,290)	(250)
Allowance for decline in market value and obsolescence of inventories	(1,162)	4,972	3,433	11,068
Changes in provision for asset dismantling costs	(1,802)	951	(1,026)	959
Provision for employee benefits	74,937	79,226	225,119	237,679
Changes in fair value of long-term receivables	375	132	65	58
Provision of uncollectible plasma receivables	(1)	-	(230)	-
Provision/ (reversal) of allowance of doubtful debts	-	(152)	-	104
Realised of future crop expenditures	93,599	67,089	168,885	142,958
Share of results of associated companies	21,166	20,488	37,474	59,452
Share of results of a joint venture	43,240	(44,352)	158,262	(17,548)
Financial income	(19,035)	(57,065)	(92,865)	(168,783)
Financial expenses	167,491	202,054	525,046	554,124
Operating cash flows before working capital changes	858,851	927,015	2,417,113	2,854,454
Changes in working capital				
Other non-current assets	29,411	16,136	119,448	124,803
Inventories	(80,856)	94,160	(493,104)	(769,798)
Trade and other receivables	194,290	378,684	(224,058)	9,496
Advances to suppliers	46,304	(19,188)	(108,546)	115,131
Prepaid taxes	(1,474)	(42,710)	35,088	(114,802)
Trade and other payables and accruals	(168,911)	(145,392)	166,744	295,093
Advances from customers	(25,444)	(42,597)	52,182	(50,474)
Cash flows generated from operations	852,171	1,166,108	1,964,867	2,463,903
Interest received	19,692	58,755	97,033	173,169
Interest paid	(166,509)	(211,795)	(531,481)	(538,691)
Income tax paid	(153,550)	(169,754)	(617,596)	(528,184)
Net cash flows generated from operating activities	551,804	843,314	912,823	1,570,197

	Group – Q3		Group – YTD 9 months	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Additions to property, plant and equipment	(236,177)	(339,917)	(786,300)	(1,277,343)
Additions to biological assets	(268,324)	(292,597)	(754,147)	(893,638)
Increase in plasma receivables	(27,760)	(13,218)	(120,480)	(45,821)
Proceeds from disposal of property and equipment	1,827	795	2,639	1,707
Proceeds from disposal of biological assets	-	-	-	1,784
Advances for projects and purchase of fixed assets	(11,728)	(89,957)	(220,879)	(301,575)
Investment in associated companies	-	(144,875)	(716,128)	(150,875)
Investment in a joint venture	(120,152)	-	(120,152)	-
Payment for convertible note	-	-	-	(57,020)
Acquisition of subsidiary, net of cash acquired	-	-	-	(34,952)
Net cash flows used in investing activities	(662,314)	(879,769)	(2,715,447)	(2,757,733)
Cash flows from financing activities				
Proceeds from interest-bearing loans and borrowings	979,470	380,861	3,521,471	2,858,579
Repayment of interest-bearing loans and borrowings	(1,201,932)	(328,138)	(3,521,398)	(1,254,787)
Net proceeds from amount due to related parties	-	100	129,000	322
Dividend payments by subsidiaries to non-controlling interests	-	(168,166)	(214,766)	(172,544)
Proceeds from additional capital contribution from Non-controlling interests	183,969	-	387,689	-
Acquisition of non-controlling interests	(11,849)	-	(11,854)	-
Dividend payment to Company's shareholders	-	-	(71,873)	(67,798)
Payments for purchase of treasury shares	-	-	(151,903)	(166,260)
Net cash flows (used in)/ generated from financing activities	(50,342)	(115,343)	66,366	1,197,512
Net (decrease)/ increase in cash and cash equivalents	(160,852)	(151,798)	(1,736,258)	9,976
Effect of changes in exchange rates on cash and cash equivalents	61,355	16,439	94,653	1,668
Cash and cash equivalents at the beginning of the period	2,043,672	3,949,923	3,585,780	3,802,920
Cash and cash equivalents at the end of the period	1,944,175	3,814,564	1,944,175	3,814,564

- 1(d)(i). A statement (for the issuer and group) showing either (i) all the changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	30/09/2015 Rp ' million	30/09/2014 Rp ' million	30/09/2015 Rp ' million	30/09/2014 Rp ' million
Issued capital				
Balance as at 1 January / 30 September ⁽¹⁾	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares (Company)				
Balance as at 1 January / 30 September	(238,263)	(238,263)	(238,263)	(238,263)
Purchase of treasury shares	(151,903)	-	(151,903)	-
Balance as at 30 September	(390,166)	(238,263)	(390,166)	(238,263)
Revenue reserves				
Balance as at 1 January	10,666,852	9,989,279	700,244	642,630
Dividend payment	(71,873)	(67,798)	(71,873)	(67,798)
Actuarial loss on employee benefits liability	(1,839)	-	-	-
Net profit and total recognised income for the period	(116,760)	533,265	75,996	141,051
Balance as at 30 September	10,476,380	10,454,746	704,367	715,883
Other reserves *				
Balance as at 1 January	615,829	661,155	144,152	144,152
Treasury stock	-	26,551	-	-
Acquisition of non controlling interest in subsidiaries	(11,142)	-	-	-
Foreign currency translation	(39,891)	(23,181)	-	12,451
Balance as at 30 September	564,796	664,525	144,152	156,603
Non-controlling interests				
Balance as at 1 January	9,088,455	8,836,784	-	-
Dividend payments by subsidiaries	(214,766)	(172,544)	-	-
Acquisition of NCI portion	(712)	-	-	-
Actuarial loss on employee benefits liability	(1,052)	-	-	-
Additional capital contribution from NCI	683,702	-	-	-
Treasury stock	-	(192,811)	-	-
Foreign currency translation	8,334	(151)	-	-
Net profit and total recognised income for the period	105,154	390,493	-	-
Balance as at 30 September	9,669,115	8,861,771	-	-
Total Equity	23,904,404	23,327,058	11,370,764	11,546,634

Notes:

- (1) The issued capital of the Group differs from that of the Company as a result of applying the reverse acquisition accounting in accordance with FRS 103. It represents the total of the deemed cost of acquisition immediately before the Acquisition and issue/placement of new shares by the Company subsequent to the Acquisition.

- * Other reserves comprise capital reserves of subsidiary companies; gain on sale of treasury shares and foreign currency translation differences.

- (d)(ii). **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the period. As of 30 September 2015, the number of issued shares was 1,447,782,830, of which 51,878,300 shares were held as treasury shares. As of 30 September 2014, the number of issued shares was 1,447,782,830, of which 30,500,000 shares were held as treasury shares.

There were no outstanding convertibles as at 30 September 2015 and 2014.

- (d)(iii). **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	30/09/2015	31/12/2014
	('000)	('000)
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	(51,878)	(30,500)
Total number of issued shares excluding treasury shares	1,395,905	1,417,283

- (d)(iv). **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Treasury Shares	Company	
	No of shares	Amount
	('000)	Rp ' million
Balance as at 1 January	30,500	238,263
Purchase of treasury shares	21,378	151,903
Balance as at 30 September 2015	51,878	390,166

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

This consolidated financial information has not been audited nor reviewed by the external auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies have been consistently applied by the Company and the Group, and are consistent with those used in the previous financial year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changes, as well as the reason for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding year, after deducting any provision for the preference dividends; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings)

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 30 September 2015.

	Group – Q3			Group – YTD 9 months		
	30/09/2015	30/09/2014	Change %	30/09/2015	30/09/2014	Change %
Earnings per share (Rp)						
Based on weighted average number of share	(110)	88	n/m	(83)	376	n/m
Based on a fully diluted basis	(110)	88	n/m	(83)	376	n/m

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

The net asset value per share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each period divided by the issued share capital of 1,395,904,530 and 1,417,282,830 (excluding 51,878,300 and 30,500,000 held as treasury shares as of 30 September 2015 and 31 December 2014).

	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
Net asset value per share (Rp)	10,198	10,322	8,146	8,127

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group Performance

	Group – Q3			Group – YTD 9 months		
	30/09/2015 Rp ' million	30/09/2014 Rp ' million	Change %	30/09/2015 Rp ' million	30/09/2014 Rp ' million	Change %
Revenue						
Plantations						
External sales	1,458,525	1,275,308	14.4	3,819,779	3,205,725	19.2
Inter-segment sales *	832,079	1,404,625	(40.8)	2,769,317	4,239,152	(34.7)
Sub-total	2,290,604	2,679,933	(14.5)	6,589,096	7,444,877	(11.5)
Edible Oils & Fats **						
External sales	1,809,916	2,326,375	(22.2)	6,240,491	7,564,513	(17.5)
Inter-segment sales	2,388	2,132	12.0	2,849	3,962	(28.1)
Sub-total	1,812,304	2,328,507	(22.2)	6,243,340	7,568,475	(17.5)
Elimination of inter-segment sales *	(834,467)	(1,406,757)	(40.7)	(2,772,166)	(4,243,114)	(34.7)
Total revenue to external parties	3,268,441	3,601,683	(9.3)	10,060,270	10,770,238	(6.6)
Gross Profit	821,481	916,390	(10.4)	2,460,101	3,040,550	(19.1)
Gross Profit %	25.1%	25.4%		24.5%	28.2%	

* Comprises mainly internal CPO sales to the Group's own refineries

** Comprises mainly cooking oil, margarine and copra-based products

Review of Group Performance

Revenue: Lower commodity prices for agriculture crops and a weakened Indonesian Rupiah continued to affect our results. The Group's consolidated revenue (after elimination of inter-segment sales) declined 9% to Rp3.3 trillion in 3Q2015 and down 7% to Rp10.1 trillion on year-to-date basis. The revenue decline was attributable to lower revenue contribution from the Edible Oils & Fats (EOF) Division, partially offset by higher external sales from the Plantation Division.

The Plantation Division's total revenue (both inter-segment and external) declined 15% to Rp2.3 trillion reflecting mainly lower average selling prices of palm products and partially offset by higher sales volume of crude palm oil (CPO). On year-to-date basis, total revenue declined 12% to Rp6.6 trillion mainly due to lower average selling prices of palm products. Internal CPO sales at market price to EOF Division declined 41% and 35% in 3Q2015 and 9M2015, respectively. In line with lower average selling prices of palm products, Plantation Division achieved lower EBITDA earnings in this quarter as well as on year-to-date basis.

Revenue from the EOF Division for 3Q2015 and 9M2015 were 22% and 18% lower than the comparative periods in 2014 mainly attributable to lower sales volume and average selling prices of edible oil and fats products. On a positive note, the EOF Division reported higher EBITDA earnings in 3Q2015 and 9M2015 on lower raw material costs which primarily comprised of CPO.

Gross Profit: The Group's gross profit in 3Q2015 and 9M2015 declined 10% and 19% respectively over the same periods last year. The decline was primarily attributable to lower average selling prices of palm products, however this was partly offset by higher profit contribution from the EOF Division.

Other Operating Expenses: The Group recorded lower Other Operating Expense in 3Q2015 and 9M2015 mainly attributable to lower net losses in changes in amortised costs of plasma receivables, reversals of provision for decline in market values of inventories and lower overhead costs for certain assets not in use.

Selling and Distribution Expenses: The Group reported higher Selling and Distribution Expenses in 3Q2015 and 9M2015 mainly due to higher marketing and promotion expenses.

Foreign exchange (losses)/gains were principally attributable to the translation of US dollar and Singapore dollar denominated loans, assets and liabilities. The Group recognised higher foreign currency losses of Rp322 billion in 3Q2015 and Rp482 billion in 9M2015 as compared to the comparative periods in 2014, of which Rp281 billion in 3Q2015 and Rp487 billion in 9M15 were unrealized forex losses. The foreign currency losses were mainly attributed to the weakening of Indonesian Rupiah against US dollar (Rp14,657/US\$ as of 30 September 2015 versus Rp12,440/US\$ as of 31 December 2014) during the periods.

Share of results of associate companies: These were mainly relating to (i) Heliae, a R&D development stage company which engages in the development of technology solutions for the commercial algae production of a variety of potential uses including food and feed, fertilizer, chemicals and pharmaceuticals; and (ii) FP Natural Resources Limited (FPNRL), which in turn holds 50.9% stake in Roxas Holdings Inc. (Roxas), the largest integrated sugar business in the Philippines. The Group's share of losses from associate companies were Rp37 billion in 9M2015 compared to Rp59 billion losses in 9M2014, reflecting mainly lower losses from Heliae.

Share of results of a joint venture: This was related to CMAA, a 50% joint venture in Brazil. The Group's share of losses from CMAA were Rp43 billion in 3Q2015, compared to Rp44 billion of profit in 3Q2014. The higher losses were principally due to lower prices of sugar and lower selling prices of electricity generation.

Profit from Operations: The Group achieved lower Profit from Operations 3Q2015 and 9M2015 mainly due to lower gross profit, higher foreign currency losses and higher share of losses from CMAA.

Financial Income/Expenses: The Group recorded lower financial income in 3Q2015 and 9M2015 compared to the comparative periods in 2014 due to lower fixed deposits. The Group recorded lower financial expenses in 3Q2015 and 9M2015 as part of the financing requirement was from internal resources.

Income Tax Expense: The high effective tax rate in 9M2015 was mainly due to non-deductible expenses and share of losses of associate and joint venture companies which are not available for set-off against profit from other group's entities.

Net Profit After Tax (NPAT): The Group incurred net loss of Rp138 billion and Rp12 billion in 3Q2015 and 9M2015 respectively, compared to net profit in the comparative periods in 2014. The decline was primarily due to lower profits from operations as explained above.

Core Profit: Excluding foreign currency losses, the Group achieved core profit of Rp129 billion in 3Q2015 and Rp387 billion in 9M2015, declining 49% and 60% respectively over the comparative period in last year.

Other comprehensive income – The foreign currency translation relates to the investments in associate and joint venture companies, which are denominated in US dollar and Brazilian Reals, respectively. The Group recognised translation losses of Rp32 billion in 9M2015 compared to Rp23 billion in 9M2014 arising from the weakening of Indonesian Rupiah and Brazilian Real against the US dollar during the periods.

Review of Financial Position

Total non-current assets of Rp35.1 trillion in September 2015 were 5% or Rp1.8 trillion higher than December 2014. The increase was principally attributable to the following:-

- (i) Additions of biological assets of Rp1.0 trillion mainly due to oil palm new plantings and immature plantations, as well as capital expenditure relating to housing and infrastructure, machineries and equipment, as well as expansion of production capacity;
- (ii) Recognition of higher deferred tax assets relating to higher employee benefits liabilities and tax losses carryforward;
- (iii) Increase in Investment in associate companies of Rp0.8 trillion was relating (a) additional capital injection US\$15.3 million (equivalent to Rp197 billion) in FPNRL; and (b) acquisition of a 50% stake in Asian Assets Management Pte. Ltd. (AAM) for US\$39 million (equivalent to Rp519 billion). In June 2015 by PT PP Lonsum Sumatra Indonesia Tbk (Lonsum);
- (iv) Higher advances for plasma project;
- (v) Lower advances and prepayments relating to the purchase of fixed assets;
- (vi) Lower claims from income tax refund; and
- (vii) Lower carrying value of Investment in a joint venture, which mainly due to the recognition of foreign currency translation loss and share of losses of CMAA in 9M2015. This was partly offset by additional capital injection in CMAA of Rp120 billion in 3Q2015.

Total current assets of Rp6.1 trillion in September 2015 were 11% lower than Rp6.8 trillion in December 2014. The decline was mainly due to significantly lower cash levels. However this was partially offset by (i) higher inventories arising from higher CPO and sugar at plantations, as well as higher CPO and stearine stocks at refineries; (ii) higher trade receivable; and (iii) higher advances relating to the purchase of raw materials and prepaid corporate income taxes.

As of September 2015, total current liabilities were at Rp8.5 trillion, up 23% from last year end of Rp7.0 trillion. The Group also reported higher short-term loans and borrowings arising from the classification of certain long-term loans that are due within the next 12 months to current liabilities.

Total non-current liabilities of Rp8.8 trillion in September 2015 were 8% lower than Rp9.5 trillion at December 2014. This was mainly due to the classification of current maturities of long-term loans to current liabilities as explained above. However this was partially offset by higher estimated liabilities for employee benefits and deferred tax liabilities.

The Group reported negative working capital of Rp2.4 trillion in September 2015. The Group is currently in the midst of reviewing its funding alternatives to optimize its capital structure and current ratio.

Total interest bearing loans and bank borrowings of Rp10.4 trillion in September 2015 were 6% or Rp0.6 trillion higher than December 2014. The increase was mainly due to translation of US\$ denominated loans arising from 18% depreciation of Rupiah currency against US dollar during the period.

Review of Cash Flows

The Group generated lower net cash flows from operations of Rp0.9 trillion in 9M2015 compared to Rp1.6 trillion in 9M2014. The decline was mainly due to lower operating profit in 9M2015. The Group recorded higher depreciation and amortization during the periods arising from additions of fixed assets.

Net cash flows used in investing activities in 9M2015 was Rp2.7 trillion. This comprised principally capital expenditure relating to additions of fixed assets, biological assets and advances for projects of Rp1.8 trillion, and further investment in associate companies and a JV of Rp0.8 trillion.

Net cash flows generated from financing activities were Rp0.1 trillion with no increase in net proceeds from loans. As a result, Group's cash levels declined from Rp3.6 trillion at December 2014 to Rp1.9 trillion at September 2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

CPO prices (Rotterdam CIF) remained soft at an average of US\$632 per tonne in 9M2015, against an average of US\$816 per tonne in 2014. The key contributing factors were the slowdown of global demand in major markets such as China and Europe, coupled with weak crude oil prices which has virtually eliminated discretionary biodiesel demand, and higher soybean supplies from the US and South America.

Looking ahead, the slowdown in plantings in Indonesia in the last 5 years and coupled with El-Nino event in 2015 will reduce incremental supply of CPO. We also expect the higher biodiesel blending mandate of 15%, announced by Indonesia's government in March 2015, to sustain domestic demand growth for palm oil products, albeit over time as the mandate of 15% will not be achieved immediately.

Rubber prices (RSS3 SICOM) have been on a downward trend since 2012, declining more than 50% to end at an average of US\$1,660 per tonne in 9M2015. This was due to higher rubber production in Thailand and Indonesia, as well as weaker demand from major rubber consuming markets, particularly China, the US and Europe, and more recently lower crude oil prices. In the medium term prices will remain under pressure until global demand recovers.

The domestic sugar prices in Indonesia were lower in 2014 due to excessive imports in 2013, but have recovered in 2015 following the Government raising the sugar floor price from Rp8,500 to Rp8,900 per kilogram on 21 May 2015, and lower imports of sugar in the first half of 2015. The country remains a net importer of sugar, intervention efforts from the government are aimed at increasing the production capacity of local sugar factories, enhancing the productivity and yield of sugar cane, and encouraging the expansion of sugar cane plantations. This will take some time to deliver results.

Global sugar prices (CSCE No. 11) have been falling to as low as 11c/lb US\$ in 9M2015, reaching multi year lows on the back of high global sugar stocks, and a weakening Brazilian Real. The rising global demand and the adverse weather across the main sugar producing countries, Brazil and India, are key to a reversal of the high global stocks, leading to a price recovery.

11. If a decision regarding dividend has been made.

(a) Current Financial Period Reported On
Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year
Nil.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the third quarter ended 30 September 2015.

13. Disclosure of the aggregate value of the transactions conducted under the shareholders' mandate for interested person transaction Rule 920(1)(a)(ii) of the Listing Manual

The Group has the following interest person transactions ("IPT") for the third quarter of 2015:

Name of Interested Person	Aggregate value of all Interested person transactions (excluding transactions less than S\$100,000)	
	Rp 'billion	USD 'million
PT ISM Group		
<ul style="list-style-type: none"> • Sales of cooking oil, margarine and others • Purchase of goods and services 	2,312 37	- -
Salim Group		
<ul style="list-style-type: none"> • Sales of cooking oil, seeds and material • Purchases of goods and services • Shareholder loans • Corporate guarantees 	634 423 1,220 2,957	- - - 25

Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

Pursuant to Rule 705(5) of the SGX-ST Listing Manual, we, Mark Julian Wakeford and Moleonoto Tjang, being two Directors of Indofood Agri Resources Ltd. ("**the Company**") do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group's unaudited financial statements for the third quarter ended 30 September 2015 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
Chief Executive Officer and Executive Director

29 October 2015