

FOR IMMEDIATE RELEASE

## IndoAgri posts a profit of Rp175 billion (S\$18 million) in 4Q15

### HIGHLIGHTS:

- **4Q15 results affected by soft commodity prices, but negated by higher sales volume of palm products and a reversal of forex losses**
- **Revenue down 10% yoy in 4Q15 on lower sales achieved by both divisions**
- **Attributable profit improved significantly from a loss of Rp154 billion in 3Q15 to a profit of Rp175 billion in 4Q15**
- **A strong quarter for FFB nucleus and CPO production, up 14% yoy. FY15 CPO production crossed 1.0 million MT, up 5% yoy**

**SINGAPORE – 26 February 2016** – SGX Mainboard-listed IndoAgri (the “Group”), a diversified and integrated agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, posted 4Q15 revenue of Rp3.8 trillion (S\$387 million), down 10% yoy on lower revenue contribution from both divisions. FY15 revenue declined 8% to Rp13.8 trillion mainly attributable to lower revenue contribution from the Edible Oils & Fats (EOF) Division, partially offset by higher external sales from the Plantation Division.

Plantation Division’s revenue declined 10% and 11% yoy in 4Q15 and FY15, respectively. This reflected mainly lower average selling prices of palm products, but partially offset by higher sales volume of palm products and higher sugar sales.

	Rp' billion						S\$' million <sup>1</sup>			
	4Q15	4Q14	▲ %	12M15	12M14	▲ %	4Q15	4Q14	12M15	12M14
<b>Revenue</b>	3,775	4,192	(10.0)	13,835	14,963	(7.5)	387	429	1,417	1,533
Gross profit	980	1,302	(24.7)	3,350	4,268	(21.5)	100	133	343	437
Gross margin (%)	26.0%	31.1%		24.2%	28.5%		26.0%	31.1%	24.2%	28.5%
<b>EBITDA <sup>2</sup></b>	707	1,008	(29.9)	2,498	3,401	(26.5)	72	103	256	348
EBITDA margin (%)	18.7%	24.0%		18.1%	22.7%		18.7%	24.0%	18.1%	22.7%
Profit from operations	670	840	(20.2)	1,251	2,536	(50.7)	69	86	128	260
Profit before taxation	535	706	(24.1)	698	2,032	(65.7)	55	72	71	208
Net profit after tax	310	404	(23.2)	299	1,328	(77.5)	32	41	31	136
Core profit after tax <sup>3</sup>	168	401	(58.0)	555	1,373	(59.6)	17	41	57	141
<b>Attributable profit</b>	175	225	(22.5)	58	759	(92.4)	18	23	6	78
EPS (fully diluted) - Rp/S\$ cents	124	159	(22.0)	41	535	(92.2)	1.3	1.6	0.4	5.5

<sup>1</sup> Income Statement and Balance Sheet items are converted at exchange rates of Rp9,763/S\$1 and Rp9,751/S\$1, respectively

<sup>2</sup> Earnings before interests and tax expense, depreciation and amortisation, foreign exchange gain/(loss) and gain/(loss) from changes in fair value of biological assets

<sup>3</sup> Net profit after tax excluding the net effect of foreign currency gain/(loss) and gain/(loss) arising from change in fair values of biological assets

*n.m. denotes “Not Meaningful”*

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Despite lower commodity prices, the Group recovered from last quarter's loss to a profit in 4Q15 on higher sales volume of palm products and a reversal of forex losses. However, FY15 results remained soft on lower commodity prices, forex losses and share of losses in CMAA. Core profit was Rp168 billion (S\$17 million) in 4Q15 and Rp555 billion (S\$57 million) in FY15, declining 58% and 60% yoy over the comparative periods in 2014.

***“The Group achieved solid production growth. FY15 FFB nucleus and CPO production increasing 5% yoy to 3,414,000 tonnes and 1,002,000 tonnes, respectively. However FY15 results remained soft, affected negatively by weakening commodity prices in all 3 of our main crops – palm oil, rubber and sugar, as well as forex losses. On a positive note, our EOF Division achieved higher earnings in FY15 on lower raw material costs which primarily comprised of CPO.***

***As of December 2015, we have 59,000 hectares of immature oil palm plantation, ensuring future volume growth.”***, commented Mr Mark Wakeford, CEO and Executive Director.

## **INDUSTRY OUTLOOK AND FUTURE PLANS**

The market conditions remain challenging for commodity sectors. The persistent slump in commodity prices and slower growth in some key markets like China have led to a prolonged period of volatility and uncertainty. Global developments remain uncertain and unpredictable. These circumstances have aggravated the complex mix peculiar to any agribusiness such as the weather, export restrictions, the higher co-relationship between the prices of crude oil and various commodities, and the performance of competing crops such as soybean oil.

As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by positive market drivers that include good demographics, increasing urbanisation and a fast-growing middle class with rising discretionary incomes.

Our outlook for the agribusiness remains optimistic but we are cautiously managing our activities during this challenging period to mitigate risks and exposures. We will place a stronger emphasis on extracting the optimal from our value chain, and proactively improve operations, increase yields, raise productivity and control costs.

--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 December 2015, IndoAgri has 300,633 hectares planted with oil palm, rubber, sugar cane, cocoa and tea.

For more information please visit our website at: [www.indofoodagri.com](http://www.indofoodagri.com).