

## UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

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 – Q2			Group – YTD 6 months		
	30/06/2016	30/06/2015 Restated *	Change	30/06/2016	30/06/2015 Restated *	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,568,451	4,132,562	(13.7)	6,715,474	6,791,829	(1.1)
Cost of sales	(2,848,701)	(3,356,827)	(15.1)	(5,462,051)	(5,401,246)	1.1
<b>Gross Profit</b>	<b>719,750</b>	<b>775,735</b>	<b>(7.2)</b>	<b>1,253,423</b>	<b>1,390,583</b>	<b>(9.9)</b>
Gross Profit %	20.2%	18.8%		18.7%	20.5%	
Selling and distribution expenses	(168,817)	(139,761)	20.8	(302,857)	(232,732)	30.1
General and administrative expenses	(247,808)	(262,678)	(5.7)	(457,455)	(480,513)	(4.8)
Foreign exchange gain/(loss)	29,581	(43,521)	(168.0)	150,522	(159,871)	(194.2)
Other operating income	19,392	16,061	20.7	35,778	50,557	(29.2)
Other operating expenses	(48,051)	(41,501)	15.8	(97,799)	(80,539)	21.4
Share of results of associate companies	(14,781)	(20,002)	(26.1)	(19,821)	(16,308)	21.5
Share of results of a joint venture	(70,430)	(86,460)	(18.5)	(118,271)	(115,022)	2.8
<b>Profit from operations before biological assets gain</b>	<b>218,836</b>	<b>197,873</b>	<b>10.6</b>	<b>443,520</b>	<b>356,155</b>	<b>24.5</b>
Gain arising from changes in fair value of biological assets	11,453	3,817	200.1	95,425	18,925	404.2
<b>Profit from operations including biological assets gain</b>	<b>230,289</b>	<b>201,690</b>	<b>14.2</b>	<b>538,945</b>	<b>375,080</b>	<b>43.7</b>
Financial income	21,211	34,007	(37.6)	45,368	73,830	(38.6)
Financial expenses	(167,613)	(191,105)	(12.3)	(333,688)	(357,555)	(6.7)
<b>Profit before tax</b>	<b>83,887</b>	<b>44,592</b>	<b>88.1</b>	<b>250,625</b>	<b>91,355</b>	<b>174.3</b>
Income tax expense	(61,285)	(53,184)	15.2	(132,164)	(91,489)	44.5
<b>Net profit/(loss) after tax</b>	<b>22,602</b>	<b>(8,592)</b>	<b>n/m</b>	<b>118,461</b>	<b>(134)</b>	<b>n/m</b>
<b>Core net (loss)/ profit after tax <sup>(1)</sup></b>	<b>(11,552)</b>	<b>24,557</b>	<b>(147.0)</b>	<b>(79,681)</b>	<b>117,067</b>	<b>(168.1)</b>
<b>Profit/(loss) attributable to:</b>						
Owners of the Company	29,864	(33,405)	189.4	124,829	(29,435)	524.1
Non-controlling interests	(7,262)	24,813	(129.3)	(6,368)	29,301	(121.7)
	<b>22,602</b>	<b>(8,592)</b>	<b>n/m</b>	<b>118,461</b>	<b>(134)</b>	<b>n/m</b>

n.m. denotes "Not Meaningful".

### Notes

(1) Earnings before accounting for the effects of foreign exchange and changes in the fair value of biological assets

	Group – Q2			Group – YTD 6 months		
	30/06/2016	30/06/2015 Restated*	Change	30/06/2016	30/06/2015 Restated*	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	50,526	46,432	8.8	51,635	(17,782)	(390.4)
<b>Items that will not be reclassified to profit or loss</b>						
Re-measurement gain/(loss) on employee benefits liability	(11,114)	(1,213)	n/m	1,458	(1,678)	186.9
Share of other comprehensive gain of a joint venture	57,754	-	n/m	57,754	-	n/m
Other comprehensive income/(loss) for the period, net of tax	97,166	45,219	114.9	110,847	(19,460)	n/m
<b>Total comprehensive income/(loss)</b>	<b>119,768</b>	<b>36,627</b>	<b>227.0</b>	<b>229,308</b>	<b>(19,594)</b>	<b>n/m</b>
<b>Total comprehensive income attributable to:-</b>						
- Owners of the Company	132,968	11,381	n/m	236,304	(52,080)	n/m
- Non-controlling interests	(13,200)	25,246	(152.3)	(6,996)	32,486	(121.5)
	<b>119,768</b>	<b>36,627</b>	<b>227.0</b>	<b>229,308</b>	<b>(19,594)</b>	<b>n/m</b>

n.m. denotes "Not Meaningful"

#### \* Comparative figures

The following accounts in the statement of comprehensive income have been restated based on the amendments to FRS 16 and 41 Agriculture – Bearer Plants, and some reclassifications to conform to prior years' presentation.

Statement of comprehensive income	As restated	As previously reported	As restated	As previously reported
	2Q15	2Q15	6M15	6M15
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cost of sales	(3,356,827)	(3,233,097)	(5,401,246)	(5,153,209)
General and administrative	(262,678)	(292,554)	(480,513)	(540,293)
Gain arising from changes in fair values of biological assets	3,817	-	18,925	-
Income tax expense	(53,184)	(75,694)	(91,489)	(133,822)

**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 – Q2			Group – YTD 6 months		
	30/06/2016	30/06/2015 Restated	Change	30/06/2016	30/06/2015 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	230,289	201,690	14.2	538,945	375,080	43.7
Add: Depreciation & amortisation	387,392	426,969	(9.3)	690,390	704,499	(2.0)
Less: Gain arising from changes in fair value of biological assets	11,453	3,817	200.1	95,425	18,925	404.2
EBITDA includes foreign exchange gain/(loss)	606,228	624,842	(3.0)	1,133,910	1,060,654	6.9
Less: Foreign exchange gain/(loss)	29,581	(43,521)	(168.0)	150,522	(159,871)	(194.2)
EBITDA excludes foreign exchange gain/(loss)	576,647	668,363	(13.7)	983,388	1,220,525	(19.4)
EBITDA%	16.2%	16.2%		14.6%	18.0%	

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

	Group – YTD 6 months		
	30/06/2016	30/06/2015 Restated	Change %
In SGD 'cents (converted at Rp9,765/\$1)			
EPS	0.9	(0.2)	n/m

  

	Group		
	30/06/2016	31/12/2015 Restated	Change %
In SGD 'cents (converted at Rp9,771/\$1)			
NAV per share	83.8	82.6	1.5

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

Other information:-	Group – Q2			Group – YTD 6 months		
	30/06/2016	30/06/2015 Restated	Change	30/06/2016	30/06/2015 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	378,632	418,013	(9.4)	673,497	687,144	(2.0)
Amortisation of deferred charges and others	8,760	8,956	(2.2)	16,893	17,355	(2.7)
Interest on borrowings	163,754	187,515	(12.7)	326,372	349,296	(6.6)
Loss on disposal of biological assets	(1,469)	-	n/m	(1,469)	-	n/m
Provision for uncollectible and changes in amortised cost of plasma receivables	11,653	9,124	27.7	29,381	4,362	573.6
Foreign exchange (gain)/loss	(29,581)	43,521	(168.0)	(150,522)	159,871	(194.2)
Write-off of property and equipment and biological assets	9	329	(97.3)	18	460	(96.1)
Gain on disposal of property and equipment	(2,369)	(638)	(271.3)	(2,828)	(617)	358.3
Allowance for decline in market value and obsolescence of inventories	14,845	5,895	151.8	21,771	4,595	373.8
Changes in provision for asset dismantling costs	1,263	(1,085)	(216.4)	4,582	776	490.5

*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	
	30/06/2016	31/12/2015 Restated *	01/01/2015 Restated *	30/06/2016	31/12/2015
	Rp ' million	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Non-current assets</b>					
Biological assets	362,192	360,802	305,299	-	-
Property, plant and equipment	21,702,905	21,566,811	20,640,101	45,386	47,232
Goodwill	3,253,637	3,253,637	3,253,637	-	-
Claims for tax refund	151,384	155,812	148,545	-	-
Deferred tax assets	1,464,297	1,378,386	1,141,028	-	-
Investment in subsidiary companies	-	-	-	10,533,516	10,533,516
Investment in associate companies	1,137,538	1,217,280	416,460	551,139	551,139
Investment in convertible note	-	-	62,200	-	-
Investment in a joint venture	636,106	607,051	801,153	-	-
Amount due from a subsidiary	-	-	-	730,000	730,000
Advances and prepayments	499,310	500,963	746,606	36,698	36,698
Other non-current receivables	881,396	844,321	673,339	9	9
<b>Total non-current assets</b>	<b>30,088,765</b>	<b>29,885,063</b>	<b>28,188,368</b>	<b>11,896,748</b>	<b>11,898,594</b>
<b>Current assets</b>					
Inventories	1,767,018	1,936,731	1,773,329	-	-
Trade and other receivables	1,576,581	1,099,402	1,056,165	73,580	78,752
Advances and prepayments	558,080	147,899	165,898	1,142	509
Prepaid taxes	277,208	221,972	231,179	-	-
Other current assets	122,111	26,686	70,346	-	-
Cash and cash equivalents	1,832,725	1,969,100	3,585,780	504,271	505,017
<b>Total current assets</b>	<b>6,133,723</b>	<b>5,401,790</b>	<b>6,882,697</b>	<b>578,993</b>	<b>584,278</b>
<b>Total assets</b>	<b>36,222,488</b>	<b>35,286,853</b>	<b>35,071,065</b>	<b>12,475,741</b>	<b>12,482,872</b>
<b>Current liabilities</b>					
Trade and other payables and accruals	1,839,609	1,802,866	1,854,311	9,193	13,392
Advances and taxes payable	189,104	214,364	203,780	-	-
Interest-bearing loans and borrowings	3,227,650	4,398,801	4,749,195	-	1,033,655
Income tax payable	89,590	34,879	144,183	-	27
<b>Total current liabilities</b>	<b>5,345,953</b>	<b>6,450,910</b>	<b>6,951,469</b>	<b>9,193</b>	<b>1,047,074</b>

	Group			Company	
	30/06/2016	31/12/2015 Restated*	01/01/2015 Restated*	30/06/2016	31/12/2015
	Rp ' million	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	7,482,919	5,741,803	5,068,141	982,899	-
Amounts due to related parties and other payables	523,390	368,882	590,259	-	-
Provision and other liabilities	32,060	27,478	25,199	-	-
Employee benefits liabilities	1,849,070	1,744,193	1,803,240	-	-
Deferred tax liabilities	770,952	773,739	719,283	-	-
<b>Total non-current liabilities</b>	<b>10,658,391</b>	<b>8,656,095</b>	<b>8,206,122</b>	<b>982,899</b>	<b>-</b>
<b>Total liabilities</b>	<b>16,004,344</b>	<b>15,107,005</b>	<b>15,157,591</b>	<b>992,092</b>	<b>1,047,074</b>
<b>Net assets</b>	<b>20,218,144</b>	<b>20,179,848</b>	<b>19,913,474</b>	<b>11,483,649</b>	<b>11,435,798</b>
Share capital	3,584,279	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares	(390,166)	(390,166)	(238,263)	(390,166)	(390,166)
Revenue reserves	7,657,590	7,600,694	7,630,072	817,252	769,401
Other reserves	584,357	473,237	640,116	144,152	144,152
	<b>11,436,060</b>	<b>11,268,044</b>	<b>11,616,204</b>	<b>11,483,649</b>	<b>11,435,798</b>
Non-controlling interests	8,782,084	8,911,804	8,297,270	-	-
<b>Total equity</b>	<b>20,218,144</b>	<b>20,179,848</b>	<b>19,913,474</b>	<b>11,483,649</b>	<b>11,435,798</b>

\* The restated figures were related to the amendments FRS 16 and FRS 41 Agriculture – Bearer Plants

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

	<b>Group</b>	
	<b>30/06/2016</b>	<b>31/12/2015</b>
	<b>Rp ' million</b>	<b>Rp ' million</b>
(i) Amounts payable in one year or less, or on demand		
Secured	1,711,907	1,297,801
Unsecured	1,515,743	3,101,000
Sub-total	<b>3,227,650</b>	<b>4,398,801</b>
(ii) Amounts repayable after one year		
Secured	6,160,171	4,355,102
Unsecured	1,322,748	1,386,701
Sub-total	<b>7,482,919</b>	<b>5,741,803</b>
<b>TOTAL</b>	<b>10,710,569</b>	<b>10,140,604</b>

(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 – Q2		Group – YTD 6 months	
	30/06/2016	30/06/2015 Restated*	30/06/2016	30/06/2015 Restated*
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Cash flows from operating activities</b>				
Profit before taxation	83,887	44,592	250,625	91,355
Adjustments:				
Depreciation and amortisation	387,392	426,969	690,390	704,499
Unrealised foreign exchange loss/(gain)	(32,185)	46,322	(145,842)	206,830
Gain arising from changes in fair value of biological assets	(11,453)	(3,817)	(95,425)	(18,925)
Allowance for impairment and amortised cost adjustments of plasma receivables	11,656	9,187	29,455	4,591
Gain on disposal of plantation trees	(1,469)	-	(1,469)	-
Write-off of property and equipment and biological assets	9	329	18	460
Gain on disposal of property and equipment	(2,369)	(638)	(2,828)	(617)
Allowance for decline in market value and obsolescence of inventories	14,845	12,177	21,771	10,877
Changes in provision for asset dismantling costs	1,263	(1,085)	4,582	776
Change in estimated liability for employee benefits	90,036	75,245	149,281	150,182
Changes in fair value of long-term receivables	(284)	27	(671)	(310)
Provision for uncollectible plasma receivables	(3)	(63)	(74)	(229)
Provision of allowance of doubtful debts	-	-	122	-
Share of results of associate companies	14,781	20,002	19,821	16,308
Share of results of a joint venture	70,430	86,460	118,271	115,022
Financial income	(21,211)	(34,007)	(45,368)	(73,830)
Financial expenses	167,613	191,105	333,688	357,555
<b>Operating cash flows before working capital changes</b>	<b>772,938</b>	<b>872,805</b>	<b>1,326,347</b>	<b>1,564,544</b>
<b>Changes in working capital</b>				
Other non-current receivables	6,002	155,829	11,008	90,036
Inventories	(119,452)	(31,693)	147,943	(418,529)
Trade and other receivables	(583,753)	(398,925)	(656,262)	(418,348)
Advances to suppliers	(12,702)	54,439	(223,136)	(154,850)
Prepaid taxes	5,992	58,600	16,012	36,562
Trade and other payables and accruals	2,341	34,401	36,846	335,655
Advances from customers	(4,782)	113,538	(81,922)	77,626
<b>Cash flows generated from operations</b>	<b>66,584</b>	<b>858,994</b>	<b>576,836</b>	<b>1,112,696</b>
Interest received	21,485	39,442	46,259	77,341
Interest paid	(165,695)	(191,167)	(319,578)	(364,972)
Income tax paid	(121,265)	(321,169)	(240,261)	(464,046)
<b>Net cash flows (used in)/ generated from operating activities</b>	<b>(198,891)</b>	<b>386,100</b>	<b>63,256</b>	<b>361,019</b>

	Group – Q2		Group – YTD 6 months	
	30/06/2016	30/06/2015 Restated*	30/06/2016	30/06/2015 Restated*
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(353,740)	(476,475)	(754,060)	(1,030,246)
Additions to biological assets	(341)	(2,186)	(785)	(5,700)
Increase in plasma receivables	(36,552)	(40,626)	(94,251)	(92,720)
Proceeds from disposal of property and equipment	2,464	721	3,030	812
Proceeds from disposal of plantation trees	1,854	-	1,854	-
Advances for projects and purchases of fixed assets	33,189	36,348	(15,968)	(209,151)
Investment in associated companies	-	(519,324)	-	(716,128)
Capital reduction on an associate company	-	-	30,960	-
Acquisition of subsidiaries, net of cash acquired	-	-	(54,996)	-
<b>Net cash flows used in investing activities</b>	<b>(353,126)</b>	<b>(1,001,542)</b>	<b>(884,216)</b>	<b>(2,053,133)</b>
<b>Cash flows from financing activities</b>				
Proceeds from interest-bearing loans and borrowings	1,171,709	1,892,943	3,295,368	2,542,001
Repayment of interest-bearing loans and borrowings	(666,092)	(1,590,239)	(2,571,650)	(2,319,466)
Net proceeds from amount due to related parties	39,530	-	161,170	129,000
Dividend payments by subsidiaries to non-controlling interests	(122,745)	(212,179)	(122,745)	(214,766)
Acquisition of treasury shares	-	(62,170)	-	(151,903)
Dividend payment to Company's shareholders	(68,288)	(71,873)	(68,288)	(71,873)
Non-controlling shareholder capital injection from a subsidiary	-	203,720	7,000	203,720
Acquisitions of non-controlling interests	-	(5)	-	(5)
<b>Net cash flows generated from financing activities</b>	<b>354,114</b>	<b>160,197</b>	<b>700,855</b>	<b>116,708</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(197,903)</b>	<b>(455,245)</b>	<b>(120,105)</b>	<b>(1,575,406)</b>
<b>Effect of changes in exchange rates on cash and cash equivalents</b>	<b>2,901</b>	<b>9,750</b>	<b>(16,270)</b>	<b>33,298</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,027,727</b>	<b>2,489,167</b>	<b>1,969,100</b>	<b>3,585,780</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,832,725</b>	<b>2,043,672</b>	<b>1,832,725</b>	<b>2,043,672</b>

\* The restated figures were related to the amendments FRS 16 and FRS 41 Agriculture – Bearer Plants



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	
	30/06/2016	30/06/2015 Restated*	30/06/2016	30/06/2015
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Issued Capital</b>				
<b>Balance as at 1 January / 30 June <sup>(1)</sup></b>	<b>3,584,279</b>	<b>3,584,279</b>	<b>10,912,411</b>	<b>10,912,411</b>
<b>Treasury shares of the Company</b>				
Balance as at 1 January	(390,166)	(238,263)	(390,166)	(238,263)
Purchase of treasury shares	-	(151,903)	-	(151,903)
<b>Balance as at 30 June</b>	<b>(390,166)</b>	<b>(390,166)</b>	<b>(390,166)</b>	<b>(390,166)</b>
<b>Reserves</b>				
Balance as at 1 January (As previously stated)	<b>10,743,482</b>	<b>10,666,852</b>	<b>769,401</b>	<b>700,244</b>
Cumulative effect of adopting FRS16 & FRS41	(3,142,788)	(3,036,780)	-	-
Balance as at 1 January (As restated)	<b>7,600,694</b>	<b>7,630,072</b>	<b>769,401</b>	<b>700,244</b>
Dividend payment	(68,288)	(71,873)	(68,288)	(71,873)
Actuarial gain/ (loss) on employee benefits liability	355	(1,117)	-	-
Net profit and total recognized income for the period	124,829	(29,435)	116,139	154,906
<b>Balance as at 30 June</b>	<b>7,657,590</b>	<b>7,527,647</b>	<b>817,252</b>	<b>783,277</b>
<b>Other Reserves **</b>				
Balance as at 1 January (As previously stated)	<b>452,154</b>	<b>615,829</b>	<b>144,152</b>	<b>144,152</b>
Cumulative effect of adopting FRS16 & FRS41	21,083	24,287	-	-
Balance as at 1 January (As restated)	<b>473,237</b>	<b>640,116</b>	<b>144,152</b>	<b>144,152</b>
Foreign currency translation	53,366	(21,528)	-	-
Share of other comprehensive gain of a joint venture	57,754	-	-	-
Acquisition of non-controlling interest by a subsidiary	-	(50)	-	-
<b>Balance as at 30 June</b>	<b>584,357</b>	<b>618,538</b>	<b>144,152</b>	<b>144,152</b>
<b>Non-controlling Interests</b>				
Balance as at 1 January (As previously stated)	9,855,945	9,088,455	-	-
Cumulative effect of adopting FRS16 & FRS41	(944,141)	(791,185)	-	-
Balance as at 1 January (As restated)	<b>8,911,804</b>	<b>8,297,270</b>	-	-
Dividend payments by subsidiaries	(122,745)	(214,766)	-	-
Actuarial loss on employee benefits liability	1,103	(561)	-	-
Acquisition of non-controlling interest by a subsidiary	-	45	-	-
Capital injection from non-controlling interest	-	683,702	-	-
Non-controlling interests of acquired subsidiary	21	-	-	-
Foreign currency translation	(1,731)	3,746	-	-
Net profit and total recognised income for the period	(6,368)	29,302	-	-
<b>Balance as at 30 June</b>	<b>8,782,084</b>	<b>8,798,738</b>	-	-
<b>Total Equity</b>	<b>20,218,144</b>	<b>20,139,036</b>	<b>11,483,649</b>	<b>11,449,674</b>

#### 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.

\* The restated figures were related to the amendments FRS 16 and FRS 41 Agriculture – Bearer Plants.

\*\* 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 June 2016 and 2015, the number of issued shares was 1,447,782,830, of which 51,878,300 shares were held as treasury shares.

There were no outstanding convertibles as at 30 June 2016 and 2015.

- (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	
	30/06/2016 ( '000)	31/12/2015 ( '000)
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	(51,878)	(51,878)
Total number of issued shares excluding treasury shares	<b>1,395,905</b>	<b>1,395,905</b>

- (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 ( '000)	Amount Rp ' million
Balance as at 1 January	51,878	390,166
Purchase of treasury shares	-	-
Balance as at 30 June 2016	<b>51,878</b>	<b>390,166</b>

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 except for the adoption of new or revised FRS that are mandatory for financial years beginning on or after 1 January 2016.

**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.**

Amendments to FRS 16 and FRS 41 Agriculture – Bearer Plants

The Group adopted the amendments to FRS 16 and FRS 41 with effect from January 2016. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41. Instead, bearer plants will be measured under FRS 16 at accumulated cost (before maturity) using the cost model (after maturity). However, the agricultural produce growing on bearer plants will remain within the scope of FRS 41 to be measured at fair value less costs to sell.

Depreciation for bearer plants is computed on a straight-line basis over the economic useful lives of 25 years for oil palm and rubber trees, and 4 years for sugar cane. We have applied these amendments retrospectively.

Based on its initial adoption on 1 January 2016, the Group's total assets and deferred tax liabilities decreased approximate Rp5.4 trillion and Rp1.4 trillion, respectively, with a corresponding decrease of Rp4.1 trillion in total equity.

**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 June 2016.

	Group – Q2			Group – YTD 6 months		
	30/06/2016	30/06/2015 Restated	Change %	30/06/2016	30/06/2015 Restated	Change %
Earnings per share (Rp)						
Based on weighted average number of share	21	(24)	n/m	89	(21)	n/m
Based on a fully diluted basis	21	(24)	n/m	89	(21)	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 (excluding 51,878,300 held as treasury shares) as of 30 June 2016 and 31 December 2015.

	Group		Company	
	30/06/2016	31/12/2015 Restated	30/06/2016	31/12/2015
Net asset value per share (Rp)	8,193	8,072	8,227	8,192

**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 – Q2			Group – YTD 6 months		
	30/06/2016	30/06/2015 Restated	Change	30/06/2016	30/06/2015 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
<b>Revenue</b>						
Plantations						
External sales	873,631	1,553,524	(43.8)	1,940,455	2,361,254	(17.8)
Inter-segment sales *	1,148,145	898,810	27.7	1,884,287	1,937,238	(2.7)
Sub-total	2,021,776	2,452,334	(17.6)	3,824,742	4,298,492	(11.0)
Edible Oils & Fats **						
External sales	2,694,820	2,579,038	4.5	4,775,019	4,430,575	7.8
Inter-segment sales	-	461	n/m	-	461	n/m
Sub-total	2,694,820	2,579,499	4.5	4,775,019	4,431,036	7.8
Elimination of inter-segment sales *	(1,148,145)	(899,271)	27.7	(1,884,287)	(1,937,699)	(2.8)
<b>Total revenue to external parties</b>	<b>3,568,451</b>	<b>4,132,562</b>	<b>(13.7)</b>	<b>6,715,474</b>	<b>6,791,829</b>	<b>(1.1)</b>
<b>Gross Profit</b>	<b>719,750</b>	<b>775,735</b>		<b>1,253,423</b>	<b>1,390,583</b>	
Gross Profit %	20.2%	18.8%		18.7%	20.5%	

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

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

## **Financial Performance**

**Overview:** Our 1H2016 results were affected by lower agricultural commodity prices and weaker palm production. Our average selling prices for crude palm oil (“CPO”) have recovered strongly in 2Q16, but remained lower on year-to-date basis.

The Group reported net profit after tax of Rp23 billion and Rp118 billion in 2Q2016 and 1H2016 respectively versus losses in the same periods last year. The improved performance was mainly driven by foreign currency gain and a strong performance of our Edible Oils & Fats (EOF) Division.

**Revenue:** The Group reported consolidated revenue (after elimination of inter-segment sales) of Rp3.6 trillion in 2Q2016 and Rp6.7 trillion in 1H2016, declining 14% and 1% over the comparative periods in 2015. The sales decline was mainly due to lower sales from the Plantation Division which partly offset by stronger sales reported by the EOF Division.

The Plantation Division reported a 18% decline in revenue over 2Q2015 on lower sales volume of palm products (i.e. CPO and palm kernel (“PK”) related products), this was mainly attributable to lower palm production arising from the impact of the El-Nino in 2H2015. The weaker output was partly offset by the higher average selling prices of palm products during the quarter. Revenue in 1H2016 was 11% lower than prior year, reflecting mainly the effects of lower sales volume and lower average selling prices of CPO and rubber. The sales declines were partly offset by higher sugar sales.

EOF Division continued to perform well with revenue growing 5% in 2Q2016 and 8% in 1H2016 mainly attributable to higher sales volume of edible oil products, but partly offset by lower selling prices. EOF Division achieved higher EBITDA earnings in 1H2016 on higher sales volume.

**Gross Profit:** Group’s gross profit in 2Q2016 and 1H2016 declined 7% and 10% over the same quarter last year. The decline was primarily attributable to lower sales volume of palm products, and lower average selling prices of palm products and rubber on year-to-date basis. However, this was partly offset by higher profit contribution from the EOF Division.

**Other Operating Income/(Expenses):** The Group recorded higher net Other Operating Income/(expenses) in 1H16 mainly due to the net changes in allowance for decline in market values of inventories, and provision for changes in amortised cost of plasma receivables.

**Selling and Distribution Expenses (S&D):** Our EOF Division recorded higher S&D expenses in 2Q2016 and 1H2016, which mainly related to the tactical promotion campaigns to drive sales.

**Foreign Exchange Gain/(Loss):** These were principally attributable to the translation of US dollar and Singapore dollar denominated loans, assets and liabilities. The Group recognised foreign currency gain of Rp30 billion and Rp151 billion in 2Q2016 and 1H2016 as the Indonesian Rupiah strengthened against the US Dollar (Rp13,180/US\$ as of 30 June 2016 versus Rp13,795/US\$ in last year end).

**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; (ii) Our 30% associate, FP Natural Resources Limited (FPNRL), which in turn holds an effective 59.7% stake in Roxas Holdings Inc. (Roxas), the largest integrated sugar business in the Philippines; and (iii) Asian Assets Management Pte. Ltd. (AAM), which in turn owns PT Aston Inti Makmur, a company engaging in the property business and operating an office building.

The Group’s share of losses from associate companies were Rp15 billion in 2Q2016 and Rp20 billion in 1H2016, mainly reflecting share of losses from Heliae. This was partly offset by the recognition of share of profit from FPNRL.

**Share of results of a joint venture:** This was related to CMAA, a 50% joint venture in Brazil. CMAA’s losses were principally due to lower selling prices of electricity generation, and losses related to Brazilian currency fluctuations. If excluding the effects of currency losses, CMAA’s adjusted net losses would have been Rp28 billion in 1H16 versus Rp71 billion in 1H15.

**Gain Arising from Changes in Fair Values of Biological Assets:** The gains of Rp95 billion in 1H2016 versus Rp19 billion in 1H2015 were relating to the net changes in the fair values of agriculture produce. The gains were mainly attributable to higher volume and average selling prices of agriculture crops.

**Profit from Operations before Biological Assets Gain:** The Group reported higher Profit from Operations in 2Q2016 and 1H2016 mainly due to foreign currency gains, which more than offset lower gross profit and higher operating expenses.

**EBITDA:** In 2Q2016 and 1H2016, Group recorded lower EBITDA over the same periods last year. The decline was mainly due to lower gross profit and higher operating expenses.

**Financial Income/(expenses):** The Group recorded lower financial income in 2Q2016 and 1H2016 mainly due to lower fixed deposit placements. The lower expenses during the periods were due to lower blended interest rate following the reduction of benchmark rates by the Bank of Indonesia from 7.5% in February 2015 to 6.5% in June 2016.

**Income Tax Expense:** The high effective tax rates were mainly due to non-deductible expenses, the write-off of certain tax losses carried forward 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/(Loss) After Tax:** The Group reported net profit after tax of Rp23 billion in 2Q2016 and Rp118 billion in 1H2016, comparing to net losses in the comparative periods in 2015. This was primarily due to higher profits from operations as explained above.

**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 gain of Rp52 billion in 1H2016 compared to Rp18 billion losses in 1H2015.

### **Review of Financial Position**

As of June 2016, total non-current assets were Rp30.1 trillion compared to Rp29.9 trillion in December 2015. The increase was principally attributable to (i) capital expenditure relating to housing and infrastructure, machineries and equipment, and additions to bearer plants; and (ii) recognition of higher deferred tax assets relating tax losses carried forward. This was partly offset by lower carrying value of investment in associate companies and a joint venture due to share of losses and a capital reduction from an associate company.

Total current assets were at Rp6.1 trillion in June 2016 compared to Rp5.4 trillion in December 2015. The increase was mainly due to (i) higher trade and other receivables in line with higher edible oil sales; and (ii) higher advances to suppliers for the purchase of raw materials and prepayments. However, this was partly offset by lower CPO inventories and cash.

Total liabilities increased from Rp15.1 trillion in December 2015 to Rp16.0 trillion in June 2016. This was mainly due to higher long-term loans. The Group reported a negative working capital of Rp1.0 trillion in December 2015, this issue has been addressed following the refinancing of certain short-term facilities to long-term loans in 1H2016.

### **Review of Cash Flows**

The Group generated a positive net cash flows from operations of Rp63 billion in 1H2016 compared to Rp361 billion in the same period last year. The lower cash flows were mainly due to higher trade and other receivable arising from higher edible oil sales during period.

Net cash flows used in investing activities in 1H2016 was Rp884 billion, which comprised principally capital expenditure relating to additions of fixed assets, bearer plants, advances for projects and an investment in a tea plantation of Rp55 billion. The investing activities were mainly funded by cash flows from operations and additional loan facilities.

The net cash flows generated from financing activities were mainly relating to additional drawdowns of loan facilities and dividend payments to shareholders. The group's cash levels reduced by Rp0.2 trillion to Rp1.8 trillion as of June 2016.

**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.**

The market conditions remain challenging for the agricultural and commodity sector. Agricultural commodity prices remain soft 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, strong economic fundamentals, 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.

**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.**

Not applicable.

**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 first half of 2016:

Name of Interested Person	Aggregate value of all Interested person transactions (excluding transactions less than S\$100,000)	
	Rp 'billion	USD 'million
<b>PT ISM Group</b>		
<ul style="list-style-type: none"> <li>• Sales of cooking oil, margarine and others</li> <li>• Purchase of goods and services</li> </ul>	1,769 56	- -
<b>Salim Group</b>		
<ul style="list-style-type: none"> <li>• Sales of cooking oil, seeds and material</li> <li>• Purchases of goods and services</li> <li>• Shareholder loans</li> <li>• Corporate guarantees</li> </ul>	534 220 1,386 3,010	- - - 24

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

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention which may render the Group's unaudited financial statements for the second quarter ended 30 June 2016 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that is has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford  
 Chief Executive Officer and Executive Director

12 August 2016