

FOR IMMEDIATE RELEASE

IndoAgri posts a strong 1Q17 result with revenue up 40% yoy and attributable profit up 80% yoy

HIGHLIGHTS:

- Strong performance contributed by higher average selling prices of agriculture crops and a strong recovery in palm production
- Achieved a 40% revenue growth on higher sales contribution from Plantation and Edible Oils & Fats (EOF) Divisions
- 1Q17 attributable profit grew 80% to Rp171 billion (S\$18 million) on strong contribution from Plantation Division, but partly offset by biological assets loss and lower foreign currency gain

SINGAPORE – 28 April 2017 – 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 a strong 1Q17 result with revenue and attributable profit grew 40% and 80% yoy. The strong performance was on the back of higher average selling prices of agriculture crops and a strong recovery in palm production.

The Group reported consolidated revenue of Rp4.4 trillion (S\$465 million) in 1Q17, increasing 40% yoy on higher sales contribution from Plantation and EOF Divisions. Plantation Division achieved a 54% revenue growth on significantly higher average selling prices and higher sales volume of crude palm oil (CPO) and palm kernel (PK) related products. EOF Division also performed well with revenue growing 29% on higher selling prices and sales volume of edible oil products.

	Rp' billion			S\$' million ¹	
	1Q17	1Q16	▲%	1Q17	1Q16
Revenue	4,401	3,147	39.8	465	333
Gross profit	1,057	527	100.5	112	56
Gross margin (%)	24.0%	16.7%		24.0%	16.7%
EBITDA ²	959	407	135.9	101	43
EBITDA margin (%)	21.8%	12.9%		21.8%	12.9%
Profit from operations	618	309	100.2	65	33
Profit before taxation	483	167	189.5	51	18
Net profit after tax	329	96	243.2	35	10
Attributable profit	171	95	79.6	18	10
EPS (fully diluted) - Rp/S\$ cents	122	68	79.4	13	7

n.m. denotes “Not Meaningful”

Gross profit doubled to Rp1.1 trillion (S\$112 million) in 1Q17. The strong gross profit was mainly attributable to higher sales volume and selling prices of palm products.

¹ Income Statement and Balance Sheet items are converted at exchange rates of Rp9,458/S\$1 and Rp9,532 /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 gain.

The Group achieved a 80% growth in attributable profit on strong contribution from Plantation Division, but partly offset by biological assets loss and lower foreign currency gain.

“The Group reported a strong quarter following a strong recovery in selling prices of agriculture crops and palm production. Our 1Q17 FFB nucleus and CPO production increased 16% and 12% yoy to 743,000 tonnes and 208,000 tonnes, respectively. In line with this, the Group delivered strong sales and attributable profit growth of 40% and 80%. In addition, we increased our mature oil palm area by 5,600 hectares, with 38,000 hectares still remaining immature, ensuring future growth in our palm oil production.

In line with the growth in palm oil production, we are in the process of building 3 new palm oil mills, two of which will be completed in 2017, and the third in 2018. Our edible oils business continued to deliver positive volume growth in 1Q17, and we are expanding our refinery in Surabaya by 300,000 tonnes per annum to meet the increased demand, which will be completed in Q4 2017.” commented Mr Mark Wakeford, CEO and Executive Director.

INDUSTRY OUTLOOK AND FUTURE PLANS

Agricultural commodity prices remain unpredictable on expected recovery in palm and soybean production, lower growth in key markets like China and fluctuations of Indonesian Rupiah and US Dollar.

Our dominant operations in Indonesia continue to be supported by positive economic outlook for Indonesia, the ongoing fiscal reforms in the areas of infrastructure and social security, and healthy domestic consumption. The Group has been building up organisational and operational capacities in anticipation of the economic recovery, and are well set to capture the growth opportunities.

We continue to focus 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 March 2017, IndoAgri has 300,646 hectares planted with oil palm, rubber, sugar cane, timber, cocoa and tea in Indonesia.

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