

FOR IMMEDIATE RELEASE

IndoAgri posts a soft 1Q18 amid lower sales volume of palm products and commodity prices

HIGHLIGHTS:

- The Group reported 11% decline for CPO production and selling prices in 1Q18
- The Group reported lower sales and profitability in 1Q18
- Expanding sugar operation in Brazil with 50% investment in 2nd mill, Canapolis

SINGAPORE – 30 April 2018 – SGX Mainboard-listed IndoAgri (the “Group”), a diversified and integrated from agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, reported a 27% revenue decline in 1Q18 on lower sales from Plantation and Edible Oils & Fats (EOF) Divisions.

	Rp' billion			S\$' million ¹		
	1Q18	1Q17	▲%	1Q18	1Q17	▲%
Revenue	3,190	4,375	(27.1)	308	423	(27.1)
Gross profit	658	1,031	(36.1)	64	100	(36.1)
<i>Gross margin (%)</i>	20.6%	23.6%		20.6%	23.6%	
EBITDA ²	617	959	(35.7)	60	93	(35.7)
<i>EBITDA margin (%)</i>	19.4%	21.9%		19.4%	21.9%	
Net profit after tax	53	329	(84.0)	5	32	(84.0)
Core net profit after tax³	81	345	(76.4)	8	33	(76.4)
Attributable profit	50	171	(70.8)	5	16	(70.8)
EPS (fully diluted) - Rp/S\$ cents	36	122	(70.5)	0.4	1.2	(70.5)

n.m. denotes “Not Meaningful”

Plantation Division’s 1Q18 revenue declined 34% mainly attributable to lower average selling prices and sales volume of crude palm oil (CPO), palm kernel and rubber. EOF Division also reported lower revenue, decreasing 6% yoy on lower edible oils selling prices arising for lower CPO costs.

The Group’s 1Q18 gross profit declined 36% mainly due to the effects of lower sales volume and selling prices of palm products. Consequently, EBITDA came in lower by 36% yoy, this was partly offset by improved contribution from a joint venture, CMAA.

The Group’s profit attributable to equity holders declined by 71% to Rp50 billion (S\$5 million) on lower operating profit, but partly offset by lower income tax expenses.

¹ Income Statement and Balance Sheet items are converted at exchange rates of Rp10,340/S\$1 and Rp10,487/S\$1, respectively

² Earnings before interests and tax expense, depreciation and amortisation, the effects of foreign exchange and changes in fair value of biological assets

³ Earnings before the accounting for the effects of foreign exchange, changes in the fair value of biological assets and one-off gain

“The Group reported lower palm products output in 1Q18 and lower commodity prices, resulting in lower revenue and profitability in 1Q18.

We are expanding our milling capacity with one new palm oil mill due for completion in 2019. The expansion of our refinery in Surabaya is completed and in operation, increasing the refinery capacity by 300,000 tonnes per annum.

We have acquired a 50% stake in our second mill (Canapolis) in February 2018, which will become operational in 2020 and has a crushing capacity of 1.8m MT of cane. This will give us operational synergies with our existing CMAA mill, expanding our crushing capacity and keeping production costs low.” commented Mr Mark Wakeford, CEO and Executive Director.

INDUSTRY OUTLOOK AND FUTURE PLANS

Agricultural commodity prices will continue to remain volatile. As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by a positive domestic economic outlook. The ongoing fiscal reforms in Indonesia in the areas of infrastructure and social security, and large domestic consumption with Indonesia being the second largest consumer of palm oil globally, will continue to support our operations.

The Group will continue to strengthen the fundamentals and improve margins through better yielding crops, cost control measures and other innovations to improve productivity.

--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 2018, IndoAgri has 301,926 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.