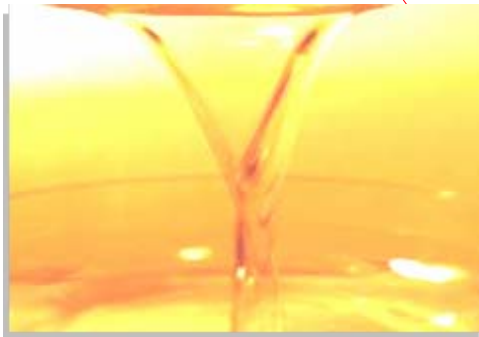


# IND@FOOD AGRI RESOURCES Ltd.

## INTEGRATED PLANTATION WITH LEADING BRANDS

Company Presentation – Completion of Acquisition on Lonsum & Q3 2007 Results



October 2007

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# PRESENTATION OUTLINE

1. IndoAgri Q3 Results - Highlights
2. Financial Highlights
3. Segment Information
4. Plantation Highlights
5. Plantation Sales
6. Cooking Oil & Fats Sales
7. Commodity Sales
8. London Sumatra Acquisition

# ***IndoAgri Q3 Results – Highlights Year to Date***

- Revenue increased by 49.1% to Rp 4,217 bn
- EBITDA increased by 92.8% to Rp 961 bn
- EBITDA Margin increased to 22.8% from 17.6%
- Profit after Tax increased by 70.1% to Rp 700 bn
- Completion of Acquisition of 56.4% shareholding in Lonsum
- Remaining 8% of shares will be completed on 2<sup>nd</sup> November 2007

# Financial Highlights

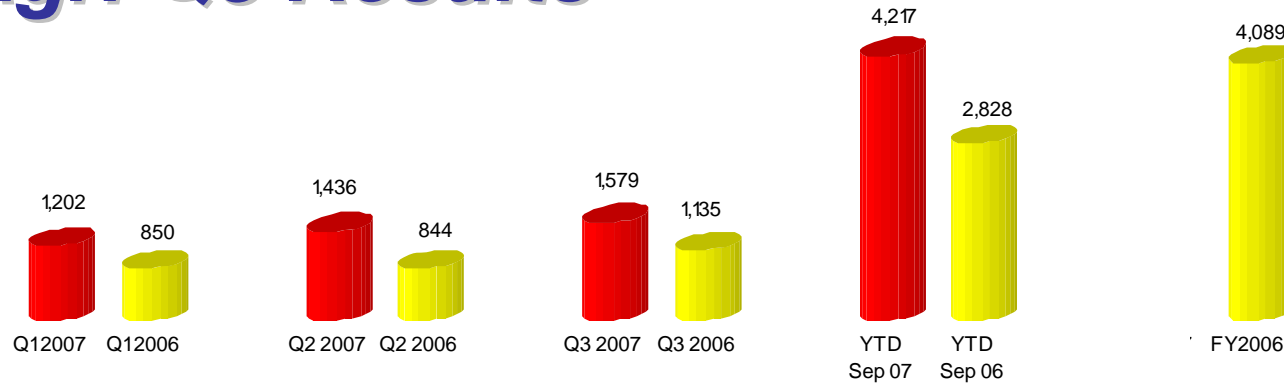
Rp bn

DESCRIPTION	YTD Q3 2007 (Unaudited)		YTD Q3 2006 (Unaudited)		Growth	FY 2006	
SALES	4,217	100.0%	2,828	100.0%	49.1%	4,089	100.0%
GROSS PROFIT	1,161	27.5%	677	24.0%	71.5%	1,007	24.6%
EBITDA	961	22.8%	499	17.6%	92.8%	801	19.6%
Gains arising from changes in fair value of biological assets	135		257			488	
OPERATING PROFIT	1,051	24.9%	697	24.6%	50.9%	1,176	28.8%
Goodwill written-off	(76)		-			-	
NET PROFIT AFTER TAX	700	16.6%	412	14.6%	70.1%	740	18.1%

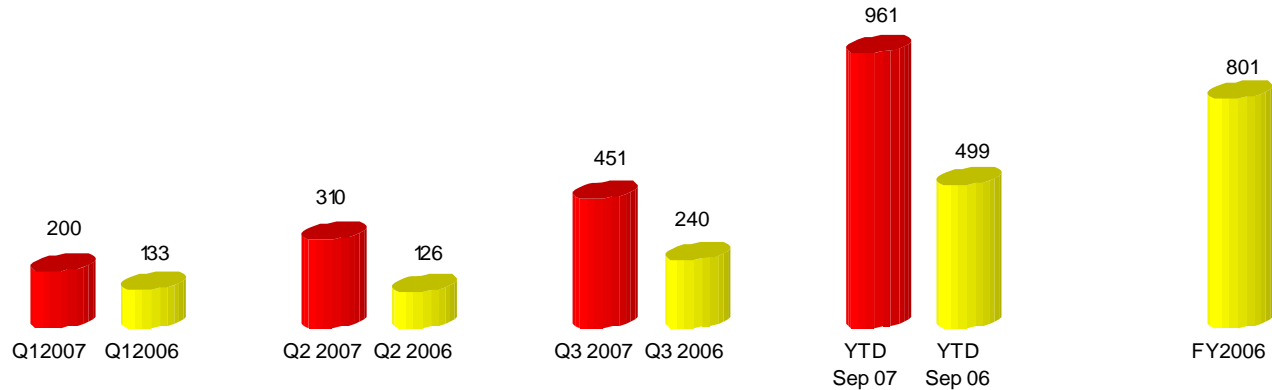
# IndoAgri Q3 Results

Rp bn

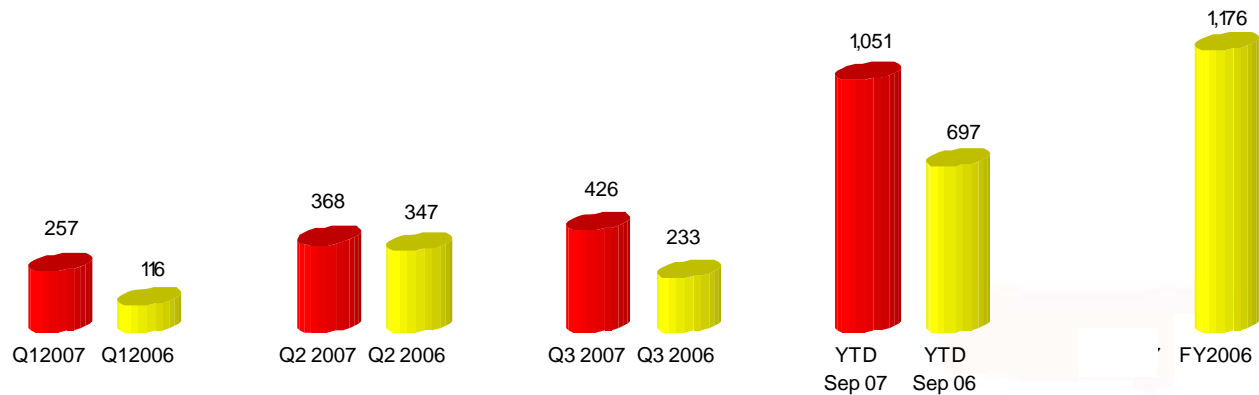
## Sales



## EBITDA



## Operating Profit



# Segment Information

Rp bn

DESCRIPTION	SALES		EBITDA		EBITDA Margin	
	YTD	YTD	YTD	YTD	YTD	YTD
	Q3 07	Q3 06	Q3 07	Q3 06	Q3 07	Q3 06
Plantations	1,444	954	930	505	64.4%	52.9%
Cooking Oil & Fats	3,185	2,164	120	79	3.8%	3.6%
Commodity	818	536	31	(43)	3.8%	(7.9%)
Elimination & Adjustment	(1,230)	(825)	(120)	(42)		
<b>Total</b>	<b>4,217</b>	<b>2,828</b>	<b>961</b>	<b>499</b>	<b>22.8%</b>	<b>17.6%</b>

# Plantation Highlights (excluding Lonsum)

*In Hectares*

	30 Sep 2007	31 Dec 2006	Increase
<b>Total Land Bank <sup>*)</sup></b>	<b>224,083 <sup>**)</sup></b>	<b>138,542</b>	<b>85,541</b>
• Riau	60,755	60,755	-
• Other Regions	163,328	77,787	85,541
<b>Planted Area Oil Palm</b>	<b>81,818</b>	<b>66,900</b>	<b>14,918</b>
• Riau	56,801	56,610	191
• Other Regions	25,017	10,290	14,727
<b>Mature Area Oil Palm</b>	<b>61,532</b>	<b>59,235</b>	<b>2,297</b>
• Riau	54,430	54,147	283
• Other Regions	7,102	5,088	2,014
<b>Rubber</b>	<b>5,015</b>	<b>5,015</b>	<b>-</b>

<sup>\*)</sup> Incl. Rubber area 8,530 Ha  
Excl. Plasma area 25,000 Ha

<sup>\*\*)</sup> Excl. Acquisition 12,950 Ha (planted area of 3,522 Ha) completed on 1<sup>st</sup> October 2007; excl SAIN 229 Ha



# Plantation Highlights

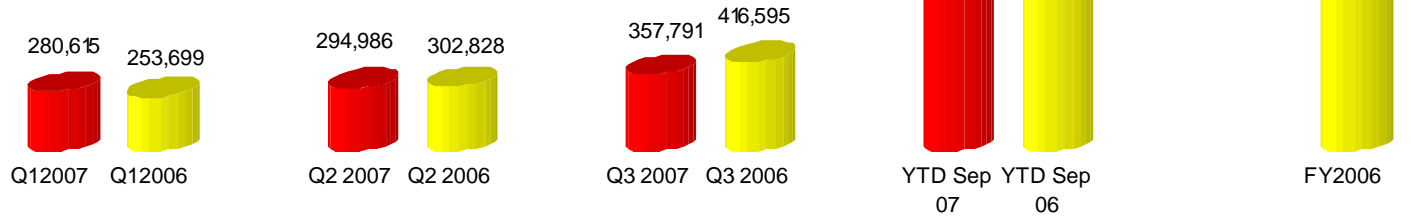
	YTD Q3 2007	YTD Q3 2006	Growth	FY2006
<b>FFB Production ('000 tons)</b>	933	973	(4.1%)	<b>1,324</b>
• Riau	931	971	(4.2%)	1,320
• Other Regions	3	2	27.7%	4
<b>FFB Yield (Ton / Ha)</b>	15.2	16.4	(7.7%)	<b>22.3</b>
• Riau	17.1	17.9	(4.6%)	24.4
• Other Regions	0.4	0.4	(8.5%)	0.8
<b>CPO Production ('000 tons)</b>	216	221	(2.4%)	<b>300</b>
<i>CPO Extraction Rate (%)</i>	22.4	22.8	(1.8%)	22.7
<b>PK Production ('000 tons)</b>	47	46	3.5%	<b>63</b>
<i>PK Extraction Rate (%)</i>	4.9	4.7	4.2%	4.8

# External Sales

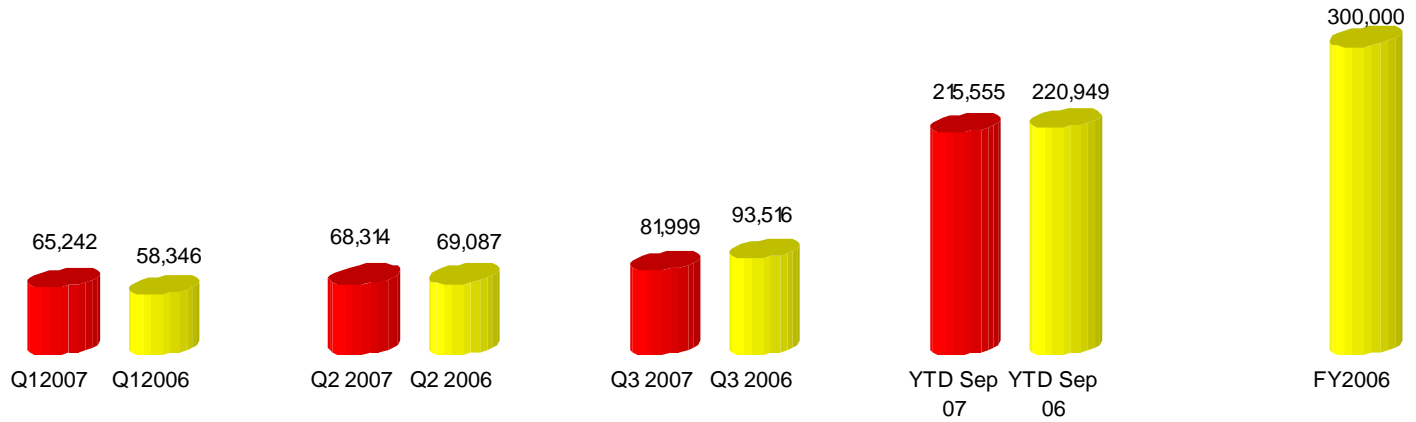
	Q3			YTD September		
	2007	2006	%	2007	2006	%
<b>Volume ('000 tons)</b>						
• Cooking Oil	105,376	114,469	(7.9%)	281,020	280,078	0.3%
• Margarine	54,130	55,865	(3.1%)	142,531	132,926	7.2%
<b>Sales Value (Rp bn)</b>	<b>1,579</b>	<b>1,135</b>	<b>39.2%</b>	<b>4,217</b>	<b>2,828</b>	<b>49.1%</b>
• Plantation	81	47	74.6%	228	142	61.2%
• Cooking Oil & Fats	1,313	936	40.3%	3,185	2,152	48.0%
• Commodity	185	151	22.0%	804	535	50.5%

# Plantation Production

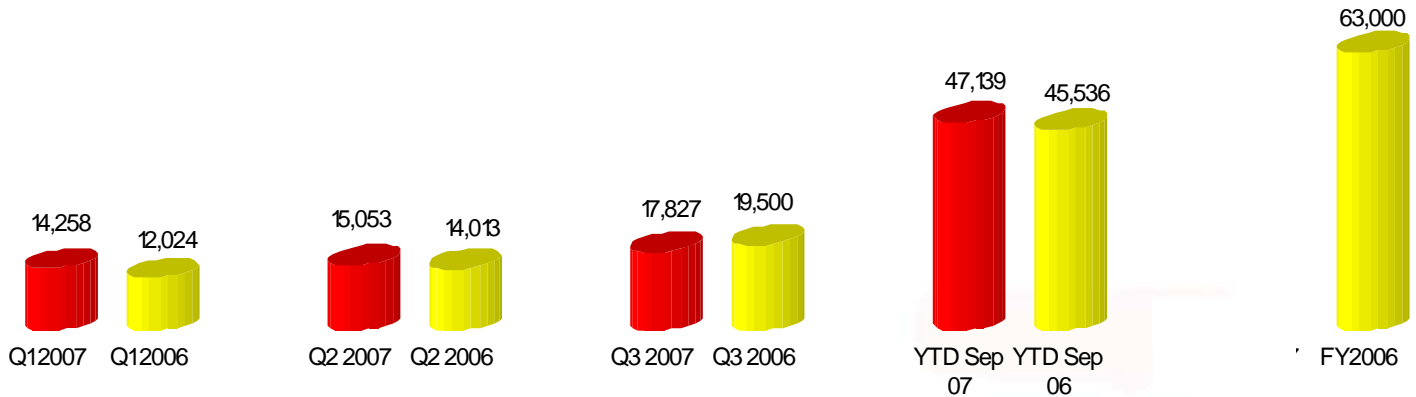
## FFB



## CPO



## PK



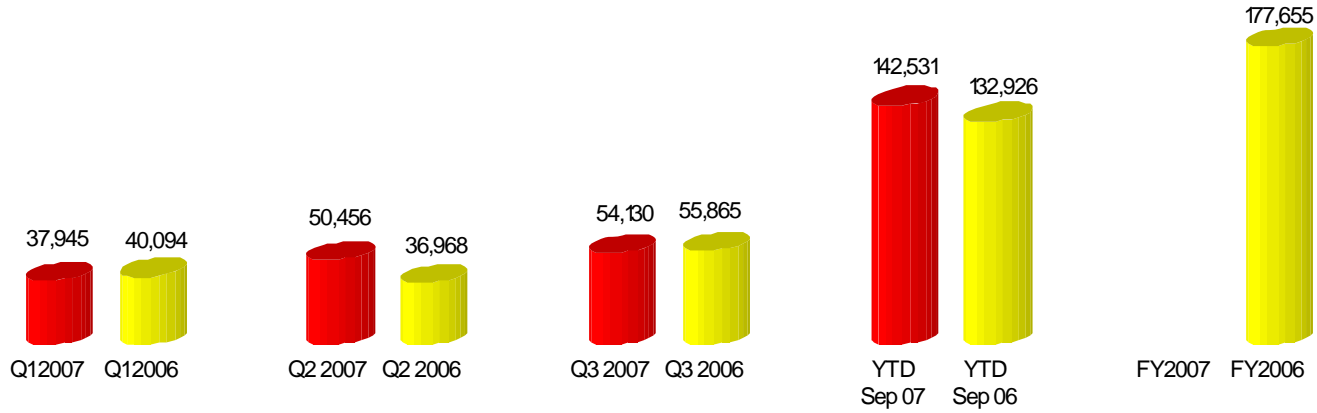
# Cooking Oil & Fats Sales

Sales Volume (MT)

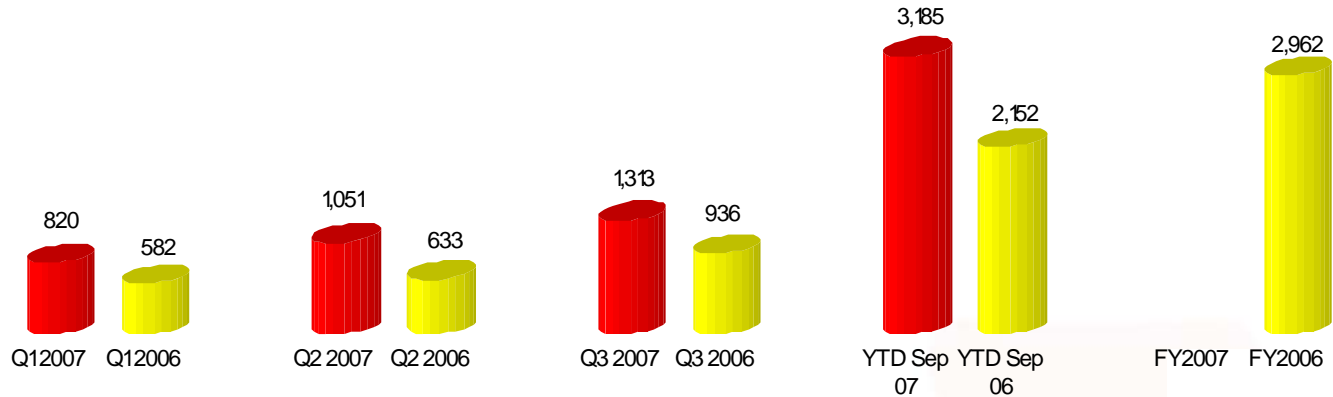
Cooking Oil



Margarine



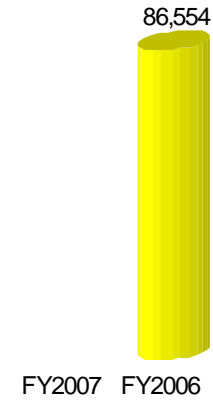
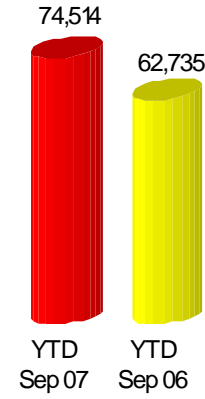
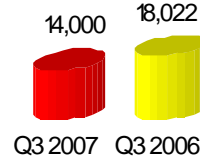
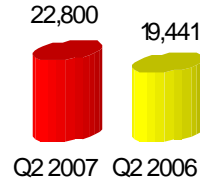
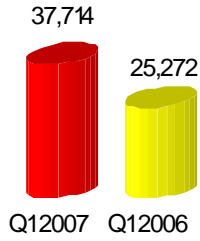
Sales Value (Rp bn)



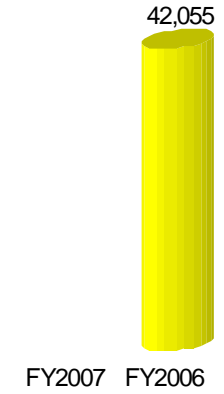
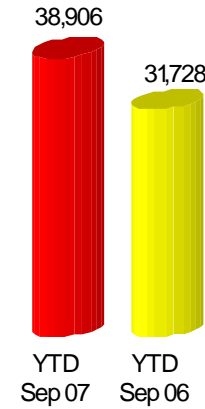
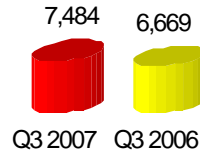
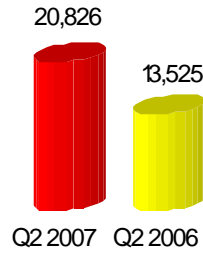
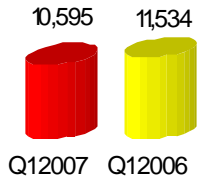
# Commodity Sales

Sales Volume (MT)

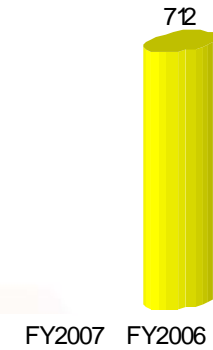
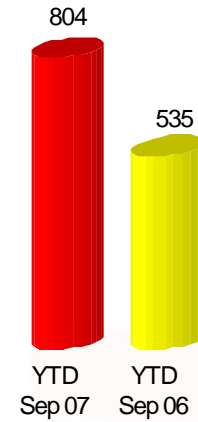
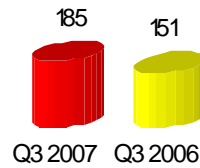
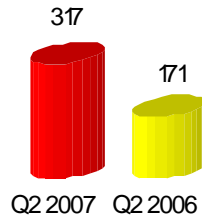
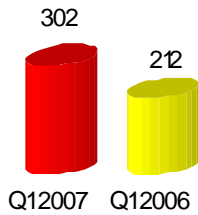
CNO/RBDCNO



RBDO/RBDOL/CPO



Sales Value (Rp bn)



# London Sumatra Acquisition

1. **Integrated Oil Palm Plantation Business Model**
2. **Strategy**
3. **Acquisition on PT PP London Sumatra Indonesia Tbk.**
  - a. **Rationale**
  - b. **Current Status**
  - c. **Structure**
  - d. **Funding**
4. **Combined Entity**
  - a. **Area Statement**
  - b. **Oil Palm Yield**
  - c. **Location Map**
  - d. **Production Capacity**
  - e. **Peer Comparisons**
  - f. **Synergies**

# Integrated Oil Palm Plantations Business Model



# Strategy

## PLANTATION

- Continue to expand new planting area to achieve 250,000 ha of planted area by 2015.
- IndoAgri to plant 70,000 ha by end of 2009

## COOKING OIL & FATS

- Strengthen brands' identity and brand loyalty by Advertising & Promotion programs, to build brand equity
- Increased focus on High Class Outlets (HCO) in line with HCO rapid growth.
- Self sufficiency in supply of CPO.

## COMMODITY

- Strengthen business model to improve profitability



# ***Acquisition on Lonsum - Rationale***

## **Expansion of core plantation business**

- Lonsum principal business of oil palm cultivation and milling is similar to IndoAgri's core plantation business

## **Increase in landbank and oil palm planted area**

- IndoAgri's land bank area will increase from 224,083 ha to 390,499 ha, and the oil palm planted area will increase from 81,818 ha to 146,426 ha after the acquisition

## **Lonsum's high productivity**

- Lonsum's FY2006 FFB yield for mature estates is 23.5 MT/Ha with CPO extraction rate of 23.8% = 5.6 MT/ha of CPO

## **Towards self sufficiency in CPO production**

- Based on 2006 production, combined CPO production for IndoAgri and Lonsum is 640,015 MT, currently IndoAgri uses 600,000 MT in the refinery division

## **Quality oil palm seed producer**

- Lonsum produces in excess of 15 m oil palm seeds annually, recognized for their quality and high yielding potential, which would enhance IndoAgri's existing seed production and ensure supply of high yielding seed material for new plantings

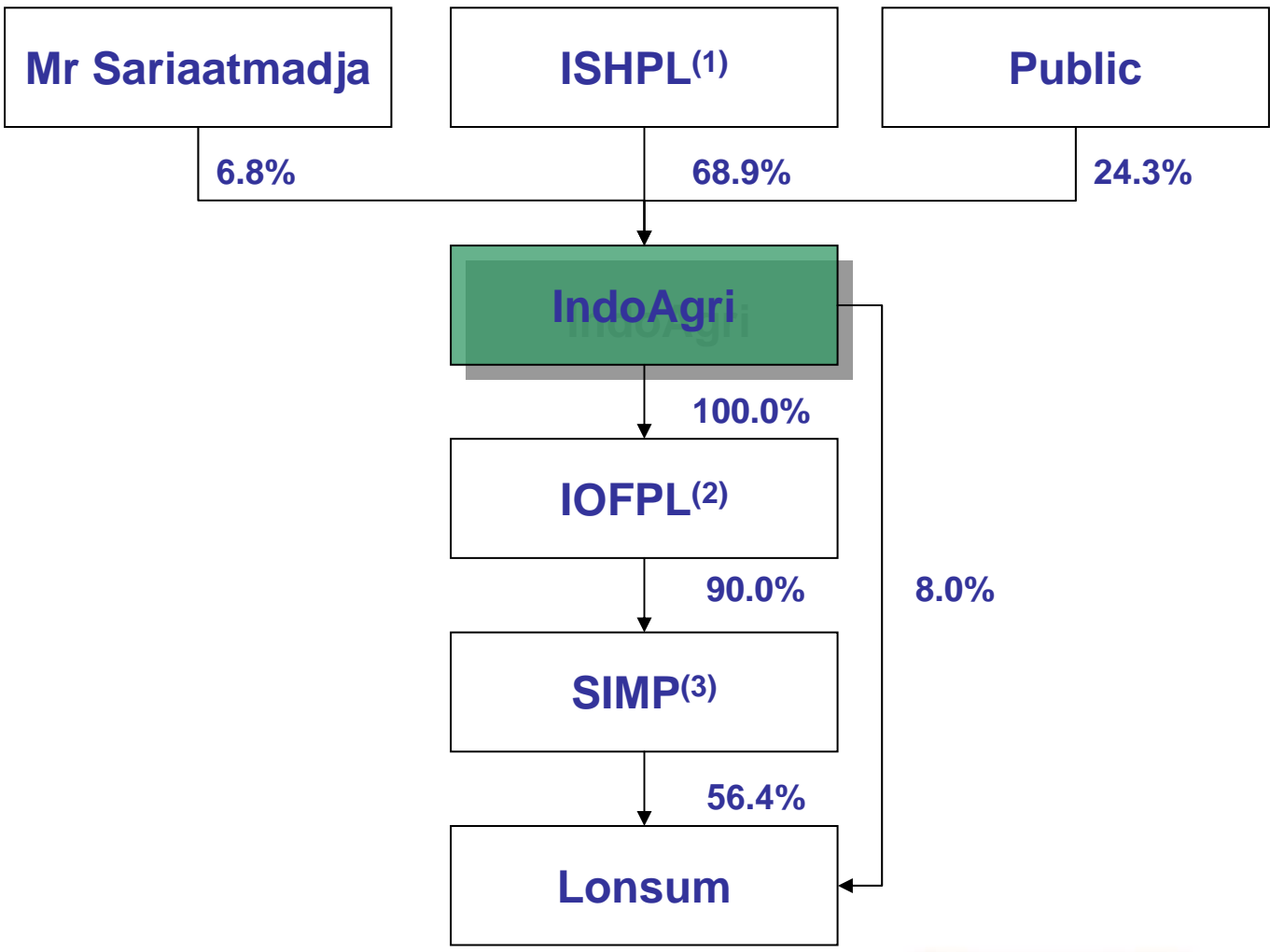
# Acquisition on Lonsum - Current Status

## Date

## Events

23 Oct 07	Shareholders Approval Obtained
31 Oct 07	Completion of Proposed Acquisition 56.4% by PT SIMP
2 Nov 07	Completion of Proposed Acquisition 8% by IndoAgri Announce Tender Offer Plan for remaining 35.6% interests
5 Dec 07	Close of Tender Offer
17 Dec 07	Last day for settlement of Tender Offer
19 Dec 07	Last day for SIMP to announce results of Tender Offer

# Shareholding Structure – Before Tender Offer



Note:  
(1) Indofood Singapore Holdings Pte. Ltd.  
(2) Indofood oil & Fats Pte. Ltd.  
(3) PT Salim Ivomas Pratama

# Funding

## Funding (Rupiah billion)

## Ownership of Lonsum

	<u>64.4%</u>	<u>100.0%</u>
IFAR shares	712	712
Internal resources (cash)	981	981
Borrowings for Proposed Acquisition	4,020	4,020
Funding for Proposed Acquisition	5,713	5,713
Internal resources (cash)	-	207
Borrowings for Tender Offer	-	1,693
Loan from PT ISM	-	1,450
Funding for Tender Offer	-	3,350
Total Funding	<u>5,713</u>	<u>9,063</u>
<u>Composition of Borrowings</u>		
US\$ borrowings (Rupiah equivalent)	1,665	3,053
Rupiah borrowings	2,355	2,660
Loan from PT ISM	-	1,450
	<u>4,020</u>	<u>7,163</u>
US\$ borrowings (US\$ m)	180	330

## Key Terms for borrowings from banks

- Funding from various banks (60% Rupiah and 40% US\$)
- 12 months facility (bridging loan)
- Interest rate US\$ is US\$ Sibor/Libor + 1% (6.5%), Rp SBI+1% (9.25%)
- Security - Corporate guarantee of IFAR for 90% of facility outstanding

# Hectare Statement

Location <sup>(1)</sup>	Mature plantations (hectares)	Immature plantations (hectares)	Total Planted Area (hectares)	Total Land Bank (hectares)
North Sumatra	34,968	3,157	38,125	42,454
Riau	54,430	2,371	56,801	60,755
South Sumatra	23,407	13,532	36,939	101,513
West Kalimantan	7,102	6,180	13,282	69,257
Central Kalimantan				16,500
East Kalimantan	9,571	8,834	18,405	88,030
Java	2,019	365	2,384	5,685
South Sulawesi	3,786	1,020	4,806	5,513
North Sulawesi	624	105	729	792
<b>Total</b>	<b>135,907</b>	<b>35,564</b>	<b>171,471</b>	<b>390,499</b>

Crop <sup>(1)</sup>	Mature plantations (hectares)	Immature plantations (hectares)	Total Planted Area (hectares)
Oil palm	114,141	32,285	146,426
Rubber	18,966	2,752	21,718
Cocoa	2,198	325	2,523
Others <sup>(2)</sup>	602	202	804
<b>Total</b>	<b>135,907</b>	<b>35,564</b>	<b>171,471</b>

Note:

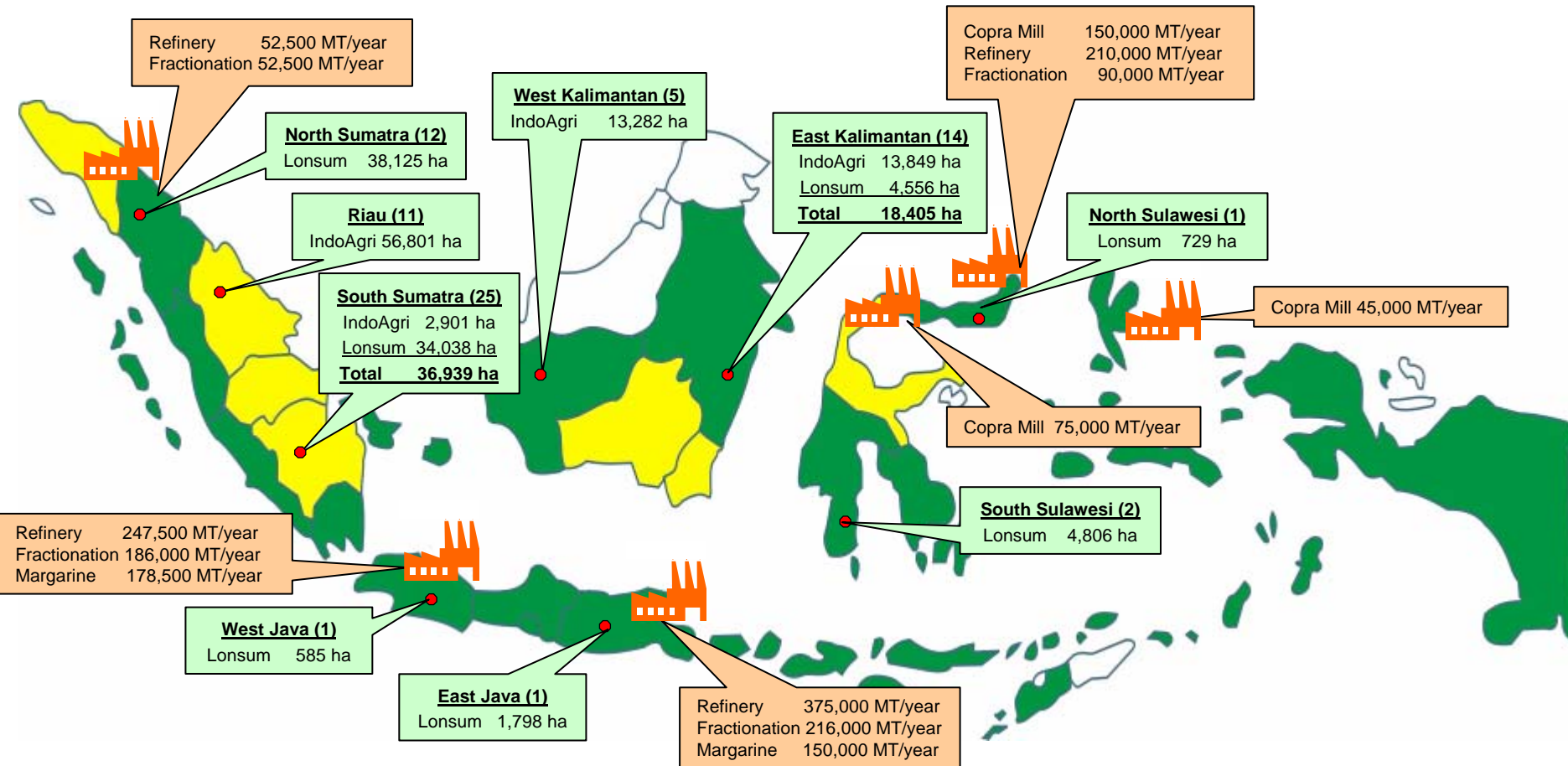
<sup>(1)</sup> As of 30 September 2007 (Exclude plasma area of approximately 61,000 hectares)

<sup>(2)</sup> Includes other crops such as tea and coconut

# Oil Palm Yield – FY2006

Description	Unit	Mature Estates	
		Lonsum	IndoAgri
FFB	Ton/hectare	23.5	24.4
CPO	Ton/hectare	5.6	5.5
Palm Kernel	Ton/hectare	1.4	1.2
CPO Extraction Rate	%	23.8	22.7

# Location Map as of 30 Sep 2007 (excl. plasma)



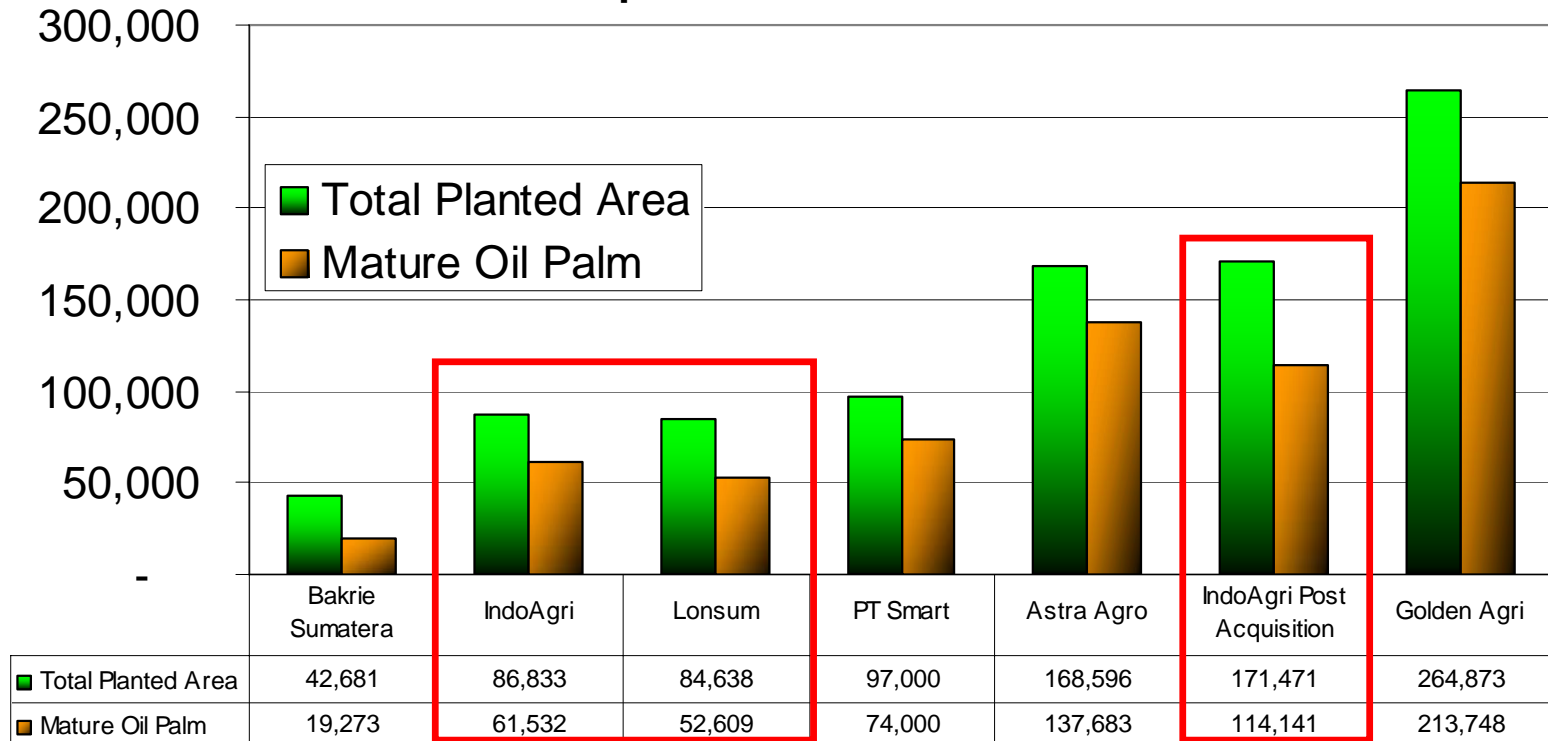
# Production Capacity as of 30 Sep 2007

Facilities	Riau	North Sumatra	South Sumatra	Java	Kalimanta n	Sulawesi	Total	Annual processing capacity (tonnes)	
Palm Oil Mill	6	4	6	-	1	-	17	3,594,000	FFB
Copra Crushing	-	-	-	-	-	3	3	270,000	Copra
Refineries									
-Refinery	-	1	-	2	-	1	4	885,000	CPO
-Fractionation	-	1	-	2	-	1	4	544,500	RBDPO
-Margarine	-	-	-	2	-	-	2	328,500	Margarine
Crumb rubber factories	-	1	1	-	-	1	3	25,056	Dry rubber
Sheet rubber factories	-	1	-	-	-	1	2	6,880	Dry rubber
Cocoa factories	-	-	-	1	-	-	1	6,250	Dry beans
Tea factory	-	-	-	1	-	-	1	1,728	Black tea
<b>Total</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>1</b>	<b>7</b>	<b>37</b>		



# One of the largest plantation companies in Indonesia

Peer Comparison Indonesia - hectares

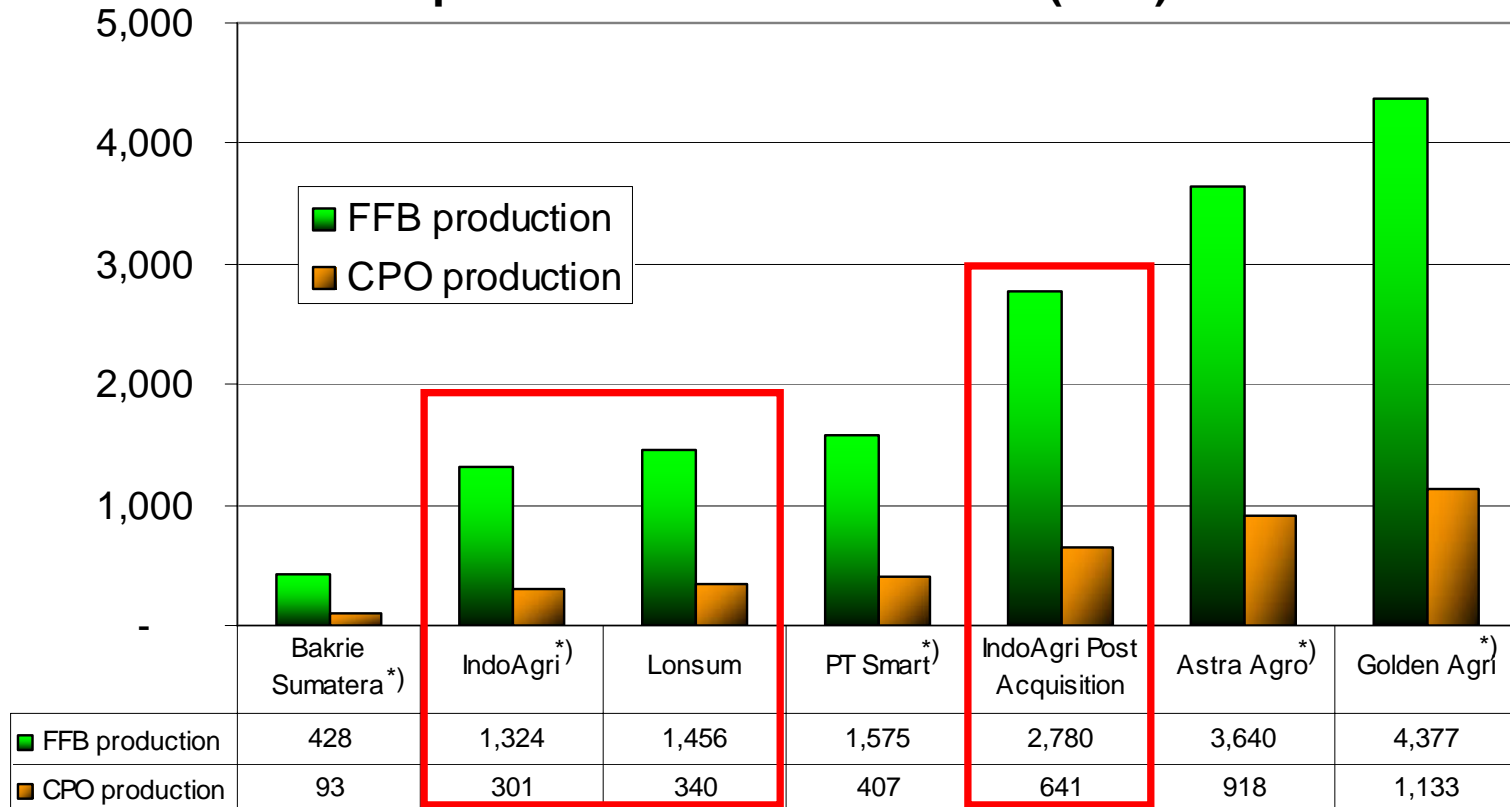


*For illustration purposes only*

Source: Latest annual reports *and* company websites (excluding plasma)

# One of the largest plantation companies in Indonesia

Peer Comparison Indonesia - tonnes ('000) - FY2006



*For illustration purposes only*

Source: Latest annual reports and company websites, and processed by IndoAgri

Note: \*) Exclude plasma

# Synergies

- **Supply of high quality seeds for plantings**
  - Lonsum seeds together with IndoAgri seedlings will be used to ensure high yields for future plantings
  - Self sufficient in seedlings for new plantings
- **Combined strength of R&D and breeding**
  - Agronomy: the search for optimal crop management
  - Breeding: including seed germination to produce superior planting materials
  - Crop protection: protection of plants against pests and diseases
  - Data analysis: store and analyze all data for improved management
- **Combined strength of management teams**
  - To ensure high CPO / ha and low cost of production
  - To strengthen the bargaining position for purchases of goods and services and source of funding
- **Towards self sufficiency in CPO requirements**

**THANK YOU**