



FIRST PACIFIC COMPANY LIMITED

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(Incorporated with limited liability under the laws of Bermuda)
Website: <http://www.firstpacco.com>

(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached notices relating to:-

Filings made by Indofood Agri Resources Limited (“IndoAgri”), a subsidiary of the Company, to the Singapore Stock Exchange in relation to (1) IndoAgri’s Second Quarter 2008 Unaudited Financial Results Announcement for period ended 30th June, 2008; and (2) IndoAgri’s Press Release.

Dated this 15th day of August, 2008


As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

Anthoni Salim, *Chairman*
Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson
Ambassador Albert F. del Rosario
Napoleon L. Nazareno
Prof. Edward K.Y. Chen*, *GBS, CBE, JP*

Tedy Djuhar
Sutanto Djuhar
Ibrahim Risjad
Benny S. Santoso
Graham L. Pickles*
Sir David W.C. Tang*, *KBE*

** Independent Non-executive Directors*

Print this page

Second Quarter * Financial Statement And Dividend Announcement	
* Asterisks denote mandatory information	
Name of Announcer *	INDOFOOD AGRI RESOURCES LTD.
Company Registration No.	200106551G
Announcement submitted on behalf of	INDOFOOD AGRI RESOURCES LTD.
Announcement is submitted with respect to *	INDOFOOD AGRI RESOURCES LTD.
Announcement is submitted by *	Mak Mei Yook
Designation *	Company Secretary
Date & Time of Broadcast	14-Aug-2008 17:56:28
Announcement No.	00157
>> Announcement Details	
The details of the announcement start here ...	
For the Financial Period Ended *	30-06-2008
Attachments	 IndoAgriQ208ResultsAnn.pdf Total size = 283K (2048K size limit recommended)

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SECOND QUARTER 2008 UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT FOR PERIOD ENDED 30 JUNE 2008

1(a)(i). An 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		
	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,270,668	1,435,932	127.8	6,120,491	2,637,875	132.0
Cost of sales	(2,186,400)	(1,038,252)	110.6	(3,859,689)	(1,993,257)	93.6
Gross Profit	1,084,268	397,680	172.6	2,260,802	644,618	250.7
Gain arising from changes in fair values of biological assets	646,307	47,408	n/m	646,307	134,747	379.6
Other operating income	14,615	29,553	(50.5)	72,703	50,133	45.0
Selling and distribution costs	(98,576)	(42,669)	131.0	(187,300)	(91,270)	105.2
General and administrative expenses	(100,066)	(59,156)	69.2	(163,726)	(103,688)	57.9
Other operating expenses	(37,556)	(4,594)	717.5	(42,737)	(9,464)	351.6
Profit from operations	1,508,992	368,222	309.8	2,586,049	625,076	313.7
Impairment of goodwill *	-	-	-	-	(76,337)	n/m
Financial income	14,329	22,409	(36.1)	33,484	34,760	(3.7)
Financial expenses	(110,821)	(2,428)	n/m	(195,405)	(16,036)	n/m
Profit before taxation	1,412,500	388,203	263.9	2,424,128	567,463	327.2
Tax expense	(469,662)	(101,196)	364.1	(777,221)	(177,802)	337.1
Profit for the period	942,838	287,007	228.5	1,646,907	389,661	322.7
Attributable to:-						
-Equity holders of the Company	710,177	258,139	175.1	1,252,262	344,939	263.0
-Minority interests	232,661	28,868	705.9	394,645	44,722	782.4
	942,838	287,007	228.5	1,646,907	389,661	322.7

n.m. denotes "Not Meaningful"

* Goodwill arose on the difference between the deemed cost of acquisition and fair value of the Company's net assets at the reverse acquisition date. This goodwill has been impaired in full as there are no future economic benefits attached to the goodwill.

Additional Information:-

Earnings before interests and tax expense, depreciation and amortisation, and gain from changes in fair value of biological assets ("EBITDA")

	Group - Q2			Group – YTD 6 Months		
	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	1,508,992	368,222	309.8	2,586,049	625,076	313.7
Add: Depreciation & amortisation	74,107	29,917	147.7	129,580	60,661	113.6
Less: Gain arising from changes in fair values of biological assets	(646,307)	(47,408)	n/m	(646,307)	(134,747)	379.6
EBITDA	936,792	350,731	167.1	2,069,322	550,990	275.6
EBITDA%	28.6%	24.4%		33.8%	20.9%	

n.m. denotes "Not Meaningful"



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

In SGD 'cents - converted at forex: Rp6,779/S\$1	Group – YTD 6 Months	
	30/06/2008	30/06/2007
EPS (fully diluted)	12.8	4.0

In SGD 'cents - converted at forex: Rp6,779/S\$1	Group	
	30/06/2008	31/12/2007
NAV per ordinary share	85.7	72.9

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		
	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant & equipment	58,944	28,615	106.0	109,126	54,575	100.0
Amortisation of prepaid land premium & others	15,163	1,302	n/m	20,454	6,086	236.1
Foreign exchange (gains)/losses	(2,225)	11,350	(119.6)	(45,384)	(4,895)	827.2
Interest on borrowings	110,618	71	n/m	195,004	13,521	n/m
Gain on disposal of biological assets	(4,807)	-	n/m	(4,064)	-	n/m
Loss / (gain) on disposal of property, plant & equipment	-	(729)	n/m	1,198	(645)	n/m
Impairment of goodwill	-	-	-	-	(76,337)	n/m
Gain on sales of short term investments	-	(39,316)	n/m	-	(39,316)	n/m

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	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets				
Biological assets	9,302,363	8,302,497	-	-
Property, plant and equipment	2,117,161	1,945,837	269	306
Prepaid land premiums and deferred land rights acquisition cost	1,208,007	1,205,772	-	-
Goodwill	2,957,293	2,957,293	-	-
Claims for income tax refund	60,094	47,018	-	-
Deferred tax assets	160,468	126,539	-	-
Other non-current assets	428,221	346,565	10,747,814	10,747,814
Total non-current assets	16,233,607	14,931,521	10,748,083	10,748,120
Current assets				
Inventories	1,499,822	1,175,645	-	-
Trade and other receivables	1,261,064	737,073	30,889	81,848
Prepaid taxes	181,921	151,763	-	-
Advances to suppliers	215,619	114,107	-	-
Cash and cash equivalents	2,183,839	1,701,512	117,351	91,688
Total current assets	5,342,265	3,880,100	148,240	173,536
Total assets	21,575,872	18,811,621	10,896,323	10,921,656
Current liabilities				
Trade payables and accruals	969,292	800,869	6,866	29,753
Advances from customers	73,049	106,821	-	-
Interest-bearing loans and borrowings	2,932,873	4,664,044	-	-
Income tax payable	389,990	352,260	130	130
Total current liabilities	4,365,204	5,923,994	6,996	29,883
Non-current liabilities				
Interest-bearing loans and borrowings	3,113,250	678,727	-	-
Due to related parties	54,390	54,390	-	-
Other payables	12,163	15,784	-	-
Estimated liabilities for employee benefits	339,650	292,454	-	-
Deferred tax liabilities	2,223,209	2,025,173	-	-
Total non-current liabilities	5,742,662	3,066,528	-	-
Total liabilities	10,107,866	8,990,522	6,996	29,883
Net assets	11,468,006	9,821,099	10,889,327	10,891,773
Attributable to equity holders				
Share capital	3,584,279	3,584,279	10,912,411	10,912,411
Reserves	4,823,667	3,571,405	(23,084)	(20,638)
	8,407,946	7,155,684	10,889,327	10,891,773
Minority interests	3,060,060	2,665,415	-	-
Total equity	11,468,006	9,821,099	10,889,327	10,891,773

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

	Group	
	30/06/2008	31/12/2007
	Rp ' million	Rp ' million
(i) Amount payable in one year or less, or on demand		
Secured	2,244,060	4,135,787
Unsecured	688,813	528,257
Sub-total	2,932,873	4,664,044
(ii) Amount repayable over one year		
Secured	3,113,250	678,727
Unsecured	-	-
Sub-total	3,113,250	678,727
TOTAL	6,046,123	5,342,771

(iii) Details of the collaterals

The above bank term loans and investment loans are secured by:-

- (a) corporate guarantees from a parent company, the Company and a subsidiary
- (b) charge over the plantation assets of the respective subsidiaries



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	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
Profit before taxation	1,412,500	388,203	2,424,128	567,463
Adjustments to reconcile profit before tax to net cash provided by operating activities:				
Depreciation and amortization	74,107	29,917	129,580	60,661
Unrealised foreign exchange losses / (gains) arising from financing transactions and foreign currency translation movements	(566)	(430)	(54,112)	3,558
Gain on disposal of biological assets	(4,807)	-	(4,064)	-
Gain arising from changes in fair value of plasma receivables	(1,714)	-	(1,714)	-
Loss on write-off of property, plant and equipment	1,435	-	1,435	-
Loss / (gain) on disposals of property, plant & equipment	-	(729)	1,198	(645)
Gain on sales of short term investments	-	(39,316)	-	(39,316)
Net gain on changes in fair values of long term receivables	(946)	(663)	(946)	(663)
Net gain arising from changes in fair values of biological assets	(646,307)	(47,408)	(646,307)	(134,747)
Changes in provision for dismantling cost	(3,584)	2,096	(3,584)	2,345
Changes in estimated liabilities for employee benefits	33,802	8,684	47,197	9,058
Impairment of goodwill	-	-	-	76,337
Interest income	(14,329)	(22,409)	(33,484)	(34,760)
Interest expense	110,821	2,428	195,405	16,036
Operating profit before changes in working capital	960,412	320,373	2,054,732	525,327
Changes in working capital				
Other non-current assets	(21,676)	41,003	(15,862)	26,603
Inventories	(50,354)	(145,680)	(324,177)	(93,051)
Receivables	113,289	(235,194)	(555,437)	(247,811)
Prepaid taxes	(6,733)	(265)	(30,157)	(730)
Payables	(243,497)	26,240	133,254	80,242
Cash flows generated from operations	751,441	6,477	1,262,353	290,580
Interest received	12,726	22,409	31,881	34,760
Interest paid	(109,785)	(2,428)	(195,772)	(16,036)
Income tax paid	(174,212)	(64,289)	(573,622)	(108,745)
Net cash flows from operating activities	480,170	(37,831)	524,840	200,559

	Group - Q2		Group - YTD 6 Months	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Acquisitions of property, plant and equipment	(126,677)	(48,877)	(284,923)	(84,917)
Acquisitions of subsidiaries, net of cash acquired	-	-	-	(124,536)
Purchase of short term investments	(74,503)	-	(74,503)	-
Proceeds from sales of short term investments	-	190,669	-	190,669
Acquisitions of biological assets	(193,482)	(69,241)	(356,402)	(94,188)
Net changes in advances for purchases of factory equipment	7,983	4,721	3,210	7,211
Advances to plasma projects	(26,700)	(12,156)	(42,241)	(27,076)
Proceeds from sales of property, plant & equipment	-	1,422	470	2,055
Proceeds from disposal of biological assets	8,131	-	8,276	-
Acquisitions of prepaid land premiums and deferred charges on landrights	(9,735)	(5,831)	(16,363)	(20,014)
Advances for long-term investments	(37,500)	(53,250)	(37,500)	(53,250)
Net cash (used in)/generated from investing activities	(452,483)	7,457	(799,976)	(204,046)
Cash flows from financing activities				
Proceeds of interest-bearing loans and borrowings	2,256,163	43,410	2,427,438	214,193
Cash received from placement of shares, net of expenses	-	-	-	2,379,949
Repayments of interest-bearing loans and borrowings	(1,505,044)	(76,197)	(1,669,975)	(1,216,373)
Net payments of amount due to related parties	-	(3,380)	-	(3,380)
Net cash (used in)/generated from financing activities	751,119	(36,167)	757,463	1,374,389
Net increase/(decrease) in cash and cash equivalents	778,806	(66,541)	482,327	1,370,902
Cash and cash equivalents at the beginning of the period	1,405,033	1,759,780	1,701,512	322,337
Cash and cash equivalents at the end of the period	2,183,839	1,693,239	2,183,839	1,693,239



- 1(d). 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 capitalization 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	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Issued Capital				
Balance as at 1 January	3,584,279	26,285	10,912,411	90,153
Effect of changes in functional currency	-	-	-	519
Issue of shares pursuant to the Acquisition ^{(note 1)/(note 2)}	-	74,077	-	7,377,734
Issue of shares pursuant to Share Placement ^(note 3)	-	2,487,055	-	2,487,055
Reverse takeover expenses	-	(107,106)	-	(107,106)
Transfer from share premium	-	-	-	(39,912)
Balance as at 31 March / 30 June ^(note 4)	3,584,279	2,480,311	10,912,411	9,808,443
Reserves*				
Balance as at 1 January	3,571,405	2,768,135	(20,638)	(21,696)
Effect of changes in functional currency	-	-	-	(125)
Unrealised loss on changes in fair value of available-for-sale investments	-	(8,259)	-	-
Foreign currency translation movement	-	(3,691)	-	-
Net profit for the period	542,085	86,800	(2,446)	19,900
Balance as at 31 March	4,113,490	2,842,985	(23,084)	(1,921)
Reversal of unrealised gain on changes in fair value of available-for-sale investments sold during the period	-	(73,872)	-	-
Net profit for the period	710,177	258,139	-	(6,338)
Balance as at 30 June	4,823,667	3,027,252	(23,084)	(8,259)
Minority Interests				
Balance as at 1 January	2,665,415	666,867	-	-
Unrealised loss on changes in fair value of available-for-sale investments	-	(1,017)	-	-
Minority interests in acquired subsidiaries	-	76,218	-	-
Net profit for the period	161,984	15,854	-	-
Balance as at 31 March	2,827,399	757,922	-	-
Reversal of unrealised gain on changes in fair value of available-for-sale investments sold during the period	-	(9,103)	-	-
Net profit for the period	232,661	28,868	-	-
Balance as at 30 June	3,060,060	777,687	-	-
Total Equity	11,468,006	6,285,250	10,889,327	9,800,184

Notes:

- 1) This amount refers to the deemed cost of acquisition incurred by the legal subsidiary, Indofood Oil & Fats Pte Ltd ("IOFPL"), in the form of equity issued to the owners of the legal parent, ie, the Company. The deemed cost of acquisition is determined using the fair value of the Company's share capital at the reverse acquisition date.
- 2) In January 2007, the Company issued 998,200,000 consolidated shares in respect of the acquisition of the entire share capital of IOFPL for a consideration of approximately S\$392.7 million (the "Acquisition").

IndoAgri

- 3) In February 2007, the Company issued 338,000,000 new consolidated shares at \$1.25 per share pursuant to the share placement.
- 4) The issued capital of the Group differs from that of the Company as a result of applying reverse acquisition accounting in accordance with FRS 103. It represents the total of the deemed cost of acquisition, the issued equity of IOFPL immediately before the Acquisition and issue/placement of new shares by the Company subsequent to the Acquisition.

* Reserves of the Group consist of revenue reserve, capital reserve, unrealised gains/losses on changes in fair value of available-for-sale securities 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.

	No. of ordinary shares issued (' 000)
Balance as at 1 January 2008	1,447,783
Balance as at 30 June 2008	1,447,783

There were no outstanding convertibles as at 30 June 2008 and 31 December 2007.

(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	
	Actual 30/06/2008 (' 000)	Actual 31/12/2007 (' 000)
Total number of issued shares excluding treasury shares	1,447,783	1,447,783

(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.

Not applicable.

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 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.

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.

Not applicable.

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 quarter attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial 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 2008.

	Group - Q2			Group - YTD 6 Months		
	Actual 30/06/2008	Actual 30/06/2007	Change %	Actual 30/06/2008	Actual 30/06/2007	Change %
Earnings per share (Rp)						
(a) based on weighted average number of share	490.5	191.3	156.4	865.0	272.5	217.4
(b) based on a fully diluted basis	490.5	191.3	156.4	865.0	272.5	217.4

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 ordinary share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each year/period divided by the issued share capital of 1,447,783,000 shares as of 30 June 2008 and 31 December 2007.

	Group		Company	
	30/06/2008 Rp	31/12/2007 Rp	30/06/2008 Rp	31/12/2007 Rp
Net asset value per ordinary share	5,807	4,943	7,521	7,523

- 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		
	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue						
Plantation						
External sales	960,177	67,421	n/m	1,931,710	146,742	n/m
Inter-segment sales	936,056	401,058	133.4	1,774,784	689,071	157.6
Sub-total	1,896,233	468,479	304.8	3,706,494	835,813	343.5
Cooking Oil						
External sales	1,791,819	1,051,362	70.4	3,345,664	1,871,642	78.8
Inter-segment sales	-	-	-	-	-	-
Sub-total	1,791,819	1,051,362	70.4	3,345,664	1,871,642	78.8
Commodity						
External sales	518,672	317,149	63.5	843,117	619,491	36.1
Inter-segment sales	35,190	542	n/m	39,110	3,048	n/m
Sub-total	553,862	317,691	74.3	882,227	622,539	41.7
Elimination	(971,246)	(401,600)	141.8	(1,813,894)	(692,119)	162.1
Total revenue	3,270,668	1,435,932	127.8	6,120,491	2,637,875	132.0
Gross Profit	1,084,268	397,680	172.6	2,260,802	644,618	250.7
Gross Profit%	33.2%	27.7%		36.9%	24.4%	

Revenue and Gross Margin: The Group posted a strong set of results in the quarter, with revenue growth of 128% from Rp1.4 trillion in Q2 2007 to Rp3.3 trillion in Q2 2008. A positive contribution from the subsidiaries acquired in 2007, particularly Lonsum, coupled with higher volume growth and higher selling prices of Crude Palm Oil ("CPO") and edible oil products were the key drivers for the strong performance. On a year-to-date basis, revenue increased by 132% compared with same period last year. In line with the strong revenue performance, overall gross profit margin for the quarter and year-to-date outperformed the results of the comparative period of last year.

Plantation division continued to deliver strong growth in Q2 2008, revenue surged by 305% to Rp1.9 trillion driven largely by favorable CPO prices, higher volume growth and additional contribution from the acquired subsidiaries, notably Lonsum which contributed about Rp1.0 trillion of revenue. CPO volume increased from 69,035 MT in Q2 2007 to 175,080 during the quarter largely driven by the acquisition of Lonsum. On year-to-date basis, revenue for the first half 2008 soared to Rp3.7 trillion, up 344% from Rp0.8 trillion a year ago.



Cooking oil and fats division continued to register strong momentum with revenue growth of 70.4% from Rp1.1 trillion in Q2 2007 to Rp1.8 trillion in Q2 2008. The improved sales came on the back of higher selling prices and higher sales volume of consumer pack cooking oil in the domestic Indonesian market. For the first half 2008, this division posted a revenue growth of 79% and higher operating profit margins from the uptrend of selling prices and volume growth.

Commodities division's revenue increased 74% in Q2 2008 and up 42% for the year-to-date basis. This was attributable to the increase in the average selling price of copra and palm oil-based products and as well as higher export of crude coconut oil.

Gain arising from changes in fair values of biological assets for the first half 2008 was Rp646 billion, the gain attributed largely to higher projected CPO price, partly offset by higher discount rate.

Biological assets comprise primarily oil palm plantations, rubber plantations and other crops. Mature oil palm trees produce fresh fruit bunches ("FFB"), which are used to produce CPO and palm kernel ("PK"). The fair values of oil palm plantations are determined using the discounted future cash flows of the underlying plantations. The expected future cash flows of the oil palm plantations are determined using the forecasted market price of FFB which is largely dependent on the projected selling prices of CPO and PK in the market.

Profit from Operations in the quarter rose by 310% to Rp1.5 trillion. Higher profits were due to the strong performance from all business divisions, positive financial effects from the new subsidiaries and gain arising from the changes in the fair values of biological assets. These profits were achieved despite (i) increased selling and distribution costs arising mainly from higher Indonesia export tax rate; (ii) higher G&A expenses arising from the inclusion of newly acquired subsidiaries, and higher salaries and wages attributed mainly to additional provision for employee benefits, salary rate adjustments and increased headcount; (iii) higher depreciation and amortization arising from the new subsidiaries, and (iv) higher other operating expenses attributed to loss on plasma receivables amounting to Rp13 billion, and stock losses and write-off of obsolete stock of Rp20 billion. In addition, included in Q2 2007 other operating income was a Rp39 billion gain on sales of short term investments and a foreign currency loss of Rp11 billion.

Net Profit After Tax for the quarter increased by 229% or approximately Rp656 billion to Rp943 billion. Included in Q2 2008 net profit after tax was higher interest expenses relating to the loans obtained to fund the acquisition of Lonsum, and higher income tax expenses. The Group posted a net profit after tax growth of 323% for the first half 2008.

Review of Financial Position

Biological assets increased from Rp8.3 trillion in Dec 2007 to Rp9.3 trillion primarily due to additional planting cost of oil palm and gain arising from the changes in fair value of biological assets during the first half 2008. The increase in other non-current assets was due to higher advances for plasma projects and an advance for long term investments.

The increase in current assets was attributed largely to (i) higher inventory of CPO and edible oil finished products, (ii) increase in trade receivables on higher sales of edible oil products and copra-based products, (iii) higher advance to suppliers for purchase of goods, equipment and services, and (v) higher cash and cash equivalents attributed to net cash inflow from operating activities and net cash inflow from financing activities, which arose from higher bank borrowings. This was partially offset by cash outflows for investing activities such as acquisitions of property, plant and equipment, and biological assets.

Trade payables and accruals rose by Rp0.2 trillion to Rp1.0 trillion on higher purchases of copra. Higher income tax payable was in line with higher profits during the period.

Non-current interest bearing loans and borrowings increased from Rp0.7 trillion in Dec 2007 to Rp3.1 trillion in June 2008 due to the refinancing of US\$160 million and Rp1.0 trillion of 1-year bridging loan facilities to 5-year term loan in the second quarter 2008. The decrease in short-term loans and borrowing was because of the aforesaid refinancing exercise.



Estimated liabilities for employee benefits showed an increase in the first half of 2008 due to additional provision in compliance with the Indonesian labor law. The higher deferred tax liabilities were in line with the gain arising from changes in fair values of biological assets.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

N.A.

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 recent fall in petroleum prices and higher CPO stock in Malaysia have led to a fall in the global CPO prices. Despite this, the outlook for palm oil demand remains positive mainly due to growth in China and India, and the growing demand for biodiesel. Inflationary pressures may increase the cost of labor and raw materials.

The Group will continue to focus on optimizing the cost of production, and increasing production of CPO and sales of branded edible oil products. This will ensure the Group is well positioned to face the challenges ahead.

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.**

No dividend has been declared or recommended for the Financial Period ended 30 June 2008.



13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

In Rp' million	Plantations	Cooking Oils	Commodities	Others	Eliminations	Total
Half Year 2008						
Revenue						
External sales	1,931,710	3,345,664	843,117	-	-	6,120,491
Inter-segments sales	1,774,784	-	39,110	-	(1,813,894)	-
Total Sales	3,706,494	3,345,664	882,227	-	(1,813,894)	6,120,491
Results						
Segment profit	2,482,656 *	146,841	76,657	(8,819)	(156,670)	2,540,665
Net foreign exchange gain						45,384
Profit from operations						2,586,049
Impairment of goodwill						-
Net finance costs						(161,921)
Profit before income tax						2,424,128
Income tax expense						(777,221)
Profit for the period						1,646,907

In Rp' million	Plantations	Cooking Oils	Commodities	Others	Eliminations	Total
Half year 2007						
Revenue						
External sales	146,742	1,871,642	619,491	-	-	2,637,875
Inter-segments sales	689,071	-	3,048	-	(692,119)	-
Total Sales	835,813	1,871,642	622,539	-	(692,119)	2,637,875
Results						
Segment profit	644,952 *	25,173	22,192	(7,269)	(64,867)	620,181
Net foreign exchange gain						4,895
Profit from operations						625,076
Impairment of goodwill						(76,337)
Net finance costs						18,724
Profit before income tax						567,463
Income tax expense						(177,802)
Profit for the period						389,661

* Includes the changes in fair values of biological assets.

Revenue by Geographical Market (ie. based on destination shipments)

	Half Year - 2008		Half Year - 2007		Change %
	(Rp' million)	%	(Rp' million)	%	
Indonesia	4,117,453	67.3	1,792,948	68.0	129.7
Asia	963,642	15.7	271,268	10.3	255.2
Europe	461,203	7.5	494,349	18.7	(6.7)
Africa, Middle East and Oceania	151,112	2.5	74,593	2.8	102.6
America	427,081	7.0	4,717	0.2	n/m
Total revenue	6,120,491	100.0	2,637,875	100.0	132.0

14. 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 the interest person transactions ("IPT") for Q2 2008 and YTD June 2008:-

Name of Interested Person	Aggregate value of all Interested person transactions (excluding transactions less than S\$100,000)			
	Q2 2008		First Half 2008	
	Rp 'billion	USD 'million	Rp 'billion	USD million
PT ISM Group				
• Rental of storage tanks	0.1	-	0.3	-
• Sales of cooking oil & margarine	648.1	-	1,262.4	-
• Purchase of goods and services	34.0	-	47.6	-
• Corporate guarantee in favour of a bank in respect of loan facilities extended to a subsidiary of the Company				
o Principal amount outstanding in respect of the bank loan facilities at of end period		14.5		16.0
o Maximum loan outstanding (inclusive of principal and interest) during the period		13.0		16.0
Salim Group				
• Sales of CPO & other palm oil based products	2.9	-	5.1	-
• Sales of seeds	-	-	1.0	-
• Management Fee	0.1	-	0.1	-
• Purchases of services	5.5	-	9.7	-
• Non-interest bearing loans from Salim Group	-	-	54.4	-
• Interest bearing loans to subsidiaries, which Salim Group has a 40% shareholding interest				
o Principal amount outstanding in respect of the interest bearing loans at of end period	-	-	81.6	-
o Maximum loan outstanding (inclusive of principal and interest) during the period	0.9	-	84.1	-
• Corporate guarantee, in proportion to the Group's shareholdings, in favour of banks in respect of loan facilities extended to certain subsidiaries, which Salim Group has a 40% shareholding interest				
o Principal amount outstanding in respect of the bank loan facilities at of end period	176.8	-	297.3	-
o Maximum loan outstanding (inclusive of principal and interest) during the period	176.4	-	297.6	-
• Advances for the proposed subscription of new shares in PT LPI	37.5	-	37.5	-
• Rental of land	0.1	-	0.3	-

15. Confirmation pursuant to Rule 705(4) of the Listing Manual

Pursuant to Rule 705(4) of the SGX-ST Listing Manual, we Mark Julian Wakeford and Moleonoto Tjang, being two Directors of Indofood Agri Resources Ltd. ("the Company") do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group's unaudited financial statements for the second quarter ended 30 June 2008 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Mark Julian Wakeford
Chief Executive Officer

Moleonoto Tjang
Executive Director



BY THE ORDER OF THE BOARD

Mark Julian Wakeford
Chief Executive Officer and Executive Director

14 August 2008

CIMB-GK Securities Pte. Ltd. was the financial adviser to the Company in relation to the acquisition of the entire issued share capital of Indofood Oil & Fats Pte. Ltd.. It assumes no responsibility for the contents of this announcement.


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Company Registration No. 200106551G

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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	INDOFOOD AGRI RESOURCES LTD.
Company Registration No.	200106551G
Announcement submitted on behalf of	INDOFOOD AGRI RESOURCES LTD.
Announcement is submitted with respect to *	INDOFOOD AGRI RESOURCES LTD.
Announcement is submitted by *	Mak Mei Yook
Designation *	Company Secretary
Date & Time of Broadcast	14-Aug-2008 18:03:35
Announcement No.	00169

>> Announcement Details	
The details of the announcement start here ...	
Announcement Title *	Press Release
Description	<p>Please see attached.</p> <p>***</p> <p>CIMB-GK Securities Pte. Ltd. acted as the financial adviser to the Company in relation to the acquisition of the entire issued share capital of Indofood Oil & Fats Pte. Ltd.</p>
Attachments	<p> IndoAgriQ208PressRelease.pdf</p> <p>Total size = 72K (2048K size limit recommended)</p>

Close Window



PRESS RELEASE

IndoAgri's 1H2008 net profit rose 263% to Rp1.3 trillion (S\$185 million)

- Group's 1H2008 revenue up 132% to Rp6.1 trillion (S\$903 million) with improved performance recorded across all business divisions
- Gross profits in 1H2008 soared 251% driven by acquisitions, organic growth and rising CPO prices.
- CPO sales volume increased from 134,731mt to 344,240mt
- Sales of branded cooking oil increased by 18%
- Gross margin improved from 24% in 1H2007 to 37% in 1H2008.

SINGAPORE – 14 August 2008 – SGX Mainboard-listed Indofood Agri Resources Ltd. ("IndoAgri" or "the Group"), a major vertically integrated agribusiness group and manufacturer of leading brands of edible oils and fats in Indonesia's, has posted a 263% increase in its net profit attributable to shareholders to Rp1.3 trillion (S\$185 million) for the six months ended 30 June 2008 ("1H2008").

FINANCIAL HIGHLIGHTS (Unaudited)

	Rp' billion			S\$ 'million ¹	
	1H2008	1H2007	Change %	1H2008	1H2007
Revenue	6,120	2,638	132%	903	389
Gross Profit	2,261	645	251%	334	95
Gross Margin (%)	37%	24%		37%	24%
Gain arising from changes in fair values of biological assets	646	135	380%	95	20
EBITDA *	2,069	551	276%	305	81
Profit From Operations	2,586	625	314%	381	92
Profit Before Taxation	2,424	567	327%	358	84
Net Profit	1,647	390	323%	243	57
Attributable Net Profit	1,252	345	263%	185	51
EPS (fully diluted) – Rp/S\$ cents	865	272	218%	12.8	4.0

* Excluding depreciation, amortisation and gain arising from changes in fair value of biological assets

¹ Converted at exchange rate of Rp6,779 to S\$1



Group's 1H2008 revenue increased 132% to Rp6.1 trillion (S\$903 million), with higher sales registered across all business divisions. The improved performance was attributed mainly to positive contributions from the acquisitions of new subsidiaries (particularly Lonsum) in 2007, together with the higher volume growth and higher prices for Crude Palm Oil ("CPO") and other edible oil products. In line with the strong revenue performance, gross profit soared 251% to Rp2.3 trillion (S\$334 million) for the corresponding period while gross margin improved from 24% in 1H2007 to 37% in 1H2008.

Plantation division remains the core business, contributing around 90% of the operating profit. This division continued to post strong growth with revenue growing 344% in 1H2008, with CPO sales volume increasing from 134,731mt to 344,240mt and favourable CPO prices. Cooking oil and fats division continued to enjoy strong growth momentum, posting a revenue growth of 79% due to higher selling prices and 18% volume growth in branded cooking oil. The increase in the average selling price of copra and palm oil-based products have helped Commodity division to deliver a 42% revenue growth in 1H2008.

EBITDA recorded a 276% increase to Rp2.1 trillion (S\$305 million), in line with the strong performances from all business divisions. This was achieved despite higher selling and distribution costs on higher Indonesia export tax rate and higher G&A expenses for the enlarged group.

The Group recorded a net profit after tax of Rp1.6 trillion (S\$246 million) in 1H2008. The attributable net profit after tax was Rp1.3 trillion (S\$185 million), up 263% for the corresponding period.

Mr Mark Wakeford, CEO and Executive Director of IndoAgri said, ***"We have achieved another set of strong results and improved margins as we continue to capitalize on our integrated agribusiness model. Most notable is the improved CPO production, and the 18% growth in our sales of branded cooking oil. Our focus remains on improving plantation yields, new planting program and cost efficiencies to ensure we remain a low cost producer. We also announced in July the completion of the refinancing of the Rp 4 trillion of bridging financing for the Lonsum acquisition, and our balance sheet remains strong with a net debt to equity ratio of 0.34."***



INDUSTRY OUTLOOK

Palm oil is the most widely consumed edible oil in the world with 25% global market share in 2007. With 80% of the world's palm oil supply coming from South East Asia, IndoAgri is poised to capitalize on the growing business opportunities through its leading market position in the region.

The recent fall in petroleum prices and higher CPO stock in Malaysia have led to a fall in CPO prices. Despite this, the outlook for palm oil demand remains positive mainly due to growth in China and India, and the growing demand for biodiesel.

The Group will continue to focus on optimizing cost of production, and increasing production of CPO and sales of branded edible oil products. This will ensure the Group is well positioned to face the challenges ahead.

Mr Mark Wakeford, CEO and Executive Director of IndoAgri said, ***"Despite the recent falling CPO prices, supply and demand fundamentals for CPO remain favorable. Capitalising on this growth potential, we plan to expand our oil palm planted area to 250,000 ha by end of 2010. We are investing in a new refinery in Jakarta to further capture demand growth in Indonesia for our branded edible oil products. Together this will further enhance our strategic position as a leading agribusiness player in the region."***

---The End ---

ABOUT INDOFOOD AGRI RESOURCES LTD.

Indofood Agri Resources Ltd ("IndoAgri") is a vertically integrated agribusiness group with business operations that range from research and development in the 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, cocoa and tea.

At present, IndoAgri - owns a vast land bank of 407,171 hectares spread throughout the Indonesian archipelago. Of this, 168,456 hectares and 22,414 hectares are planted with oil palm and rubbers, respectively. Additionally, IndoAgri also has 3,364 hectares of other crops such as cocoa, tea and coconut. . The Group's acquisition of PT PP London Sumatra Indonesia Tbk in Q4 2007 has also further strengthened IndoAgri's market leader position in Indonesia's palm oil industry.

IndoAgri has also recently completed the shares subscription in PT Lajuperdana Indah (representing a 60% interest), which will enable the Group to expand its existing agribusiness activities into the areas of sugar cane cultivation and processing. The sugar industry in Indonesia presents a new and attractive investment proposition with demand driven by factors such as population growth, rapid development of processed food and beverage industries and the continued expansions of sugar-based industries such as ethanol.



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

Issued for and on behalf of Indofood Agri Resources Ltd
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