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## **FIRST PACIFIC COMPANY LIMITED**

### **第一太平洋有限公司**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

(Stock code: 00142)

### **OVERSEAS REGULATORY ANNOUNCEMENT**

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

**Please refer to the attached filings made by Indofood Agri Resources Ltd. to the Singapore Stock Exchange, in relation to the following:-**

- i) Unaudited Financial Statements for the first half ended 30 June 2014;**
- and**
- ii) Press Release for the 1H2014 Results.**

**Dated this the 25<sup>th</sup> day of July, 2014**

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

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

***Non-executive Directors:***

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Napoleon L. Nazareno

***Independent Non-executive Directors:***

Graham L. Pickles

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

## Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	INDOFOOD AGRI RESOURCES LTD.
<b>Securities</b>	INDOFOOD AGRI RESOURCES LTD. - SG1U47933908 - 5JS

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	25-Jul-2014 18:50:13
<b>Status</b>	New
<b>Announcement Sub Title</b>	Second Quarter and/ or Half Yearly Results
<b>Announcement Reference</b>	SG140725OTHRO79X
<b>Submitted By (Co./ Ind. Name)</b>	Mak Mei Yook
<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	IndoAgri's 1H 2014 Results Please see attached.

## Additional Details

<b>For Financial Period Ended</b>	30/06/2014
<b>Attachments</b>	<a href="#">IFAR1H14Results.pdf</a> Total size =110K



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## UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

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		
	30/06/2014	30/06/2013	Change	30/06/2014	30/06/2013	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,997,503	3,357,944	19.0	7,168,555	6,454,605	11.1
Cost of sales	(2,760,557)	(2,818,847)	(2.1)	(5,044,395)	(5,278,508)	(4.4)
<b>Gross profit</b>	<b>1,236,946</b>	<b>539,097</b>	<b>129.4</b>	<b>2,124,160</b>	<b>1,176,097</b>	<b>80.6</b>
Gross profit %	30.9%	16.1%		29.6%	18.2%	
Selling and distribution costs	(117,001)	(114,104)	2.5	(208,559)	(215,942)	(3.4)
General and administrative expenses	(306,017)	(219,281)	39.6	(556,623)	(463,104)	20.2
Foreign exchange losses	(91,530)	(310)	n/m	(5,856)	(4,000)	46.4
Other operating income	45,657	63,066	(27.6)	67,857	121,614	(44.2)
Other operating expenses	(46,744)	(66,392)	(29.6)	(82,838)	(101,337)	(18.3)
Share of results of associate companies	(17,058)	(21,135)	(19.3)	(38,964)	(30,036)	29.7
Share of results of a joint venture	(6,006)	-	n/m	(26,804)	-	n/m
<b>Profit from operations</b>	<b>698,247</b>	<b>180,941</b>	<b>285.9</b>	<b>1,272,373</b>	<b>483,292</b>	<b>163.3</b>
Financial income	56,395	42,883	31.5	111,718	97,632	14.4
Financial expenses	(187,241)	(124,481)	50.4	(352,070)	(251,521)	40.0
<b>Profit before tax</b>	<b>567,401</b>	<b>99,343</b>	<b>471.2</b>	<b>1,032,021</b>	<b>329,403</b>	<b>213.3</b>
Income tax expense	(192,368)	(32,273)	496.1	(315,069)	(109,196)	188.5
<b>Net profit for the period</b>	<b>375,033</b>	<b>67,070</b>	<b>459.2</b>	<b>716,952</b>	<b>220,207</b>	<b>225.6</b>
<b>Other comprehensive income</b>						
Foreign currency translation	77,830	(20,476)	n/m	29,678	(19,767)	n/m
<b>Total comprehensive income for the period</b>	<b>452,863</b>	<b>46,594</b>	<b>871.9</b>	<b>746,630</b>	<b>200,440</b>	<b>272.5</b>
<b>Net profit after tax attributable to:-</b>						
- Owners of the Company	223,991	65,906	239.9	405,891	172,737	135.0
- Non-controlling interests	151,042	1,164	n/m	311,061	47,470	555.3
	<b>375,033</b>	<b>67,070</b>	<b>459.2</b>	<b>716,952</b>	<b>220,207</b>	<b>225.6</b>
<b>Total comprehensive income attributable to:-</b>						
- Owners of the Company	297,092	44,501	567.6	469,362	151,636	209.5
- Non-controlling interests	155,771	2,093	n/m	277,268	48,804	468.1
<b>Total comprehensive income for the period</b>	<b>452,863</b>	<b>46,594</b>	<b>871.9</b>	<b>746,630</b>	<b>200,440</b>	<b>272.5</b>

n.m. denotes "Not Meaningful"

**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		
	30/06/2014	30/06/2013	Change	30/06/2014	30/06/2013	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	698,247	180,941	285.9	1,272,373	483,292	163.3
Add: Depreciation & amortisation	212,169	215,056	(1.3)	377,397	358,819	5.2
EBITDA includes foreign exchange gains/ (losses)	910,416	395,997	129.9	1,649,770	842,111	95.9
Less: Foreign exchange losses	(91,530)	(310)	n/m	(5,856)	(4,000)	46.4
EBITDA excludes foreign exchange losses	1,001,946	396,307	152.8	1,655,626	846,111	95.7
EBITDA%	25.1%	11.8%		23.1%	13.1%	

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

	Group – YTD 6 months		
	30/06/2014	30/06/2013	Change %
In SGD 'cents (converted at Rp9,322/\$1)			
EPS	3.1	1.3	137.8

	Group		
	30/06/2014	31/12/2013	Change %
In SGD 'cents (converted at Rp9,583/\$1)			
NAV per share	106.0	103.1	2.8

**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		
	30/06/2014	30/06/2013	Change	30/06/2014	30/06/2013	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	201,194	203,632	(1.2)	354,951	337,202	5.3
Amortisation of deferred charges and others	10,975	11,424	(3.9)	22,446	21,617	3.8
Interest on borrowings	183,235	120,539	52.0	343,797	244,852	40.4
Losses/ (gains) on disposal of biological assets	145	(8,608)	n/m	2,413	(8,328)	n/m
Allowance for uncollectible and loss arising from changes in amortised cost of plasma receivables	(8,065)	24,079	n/m	(15,826)	28,975	n/m
Write-off of property and equipment	1,788	44	n/m	1,797	1,370	31.2
(Gains) / losses on disposals of property and equipment	(133)	912	n/m	(333)	(577)	(42.3)
Net changes in provision for decline in market value and obsolescence of inventories	4,132	(21,614)	n/m	6,096	(60,931)	n/m
Changes in provision for asset dismantling costs	39	(5,065)	n/m	8	(6,303)	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	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Non-current assets</b>				
Biological assets	14,411,279	13,893,246	-	-
Property, plant and equipment	10,519,501	9,780,693	52,767	54,579
Goodwill	3,247,532	3,247,532	-	-
Claims for tax refund	143,062	236,529	-	-
Deferred tax assets	1,083,515	962,678	-	-
Investment in subsidiary companies	-	-	10,327,919	10,327,919
Investment in associate companies	353,568	398,860	216,749	209,460
Investment in a joint venture	873,193	863,768	-	-
Advances and prepayments	745,240	706,696	36,698	36,698
Other non-current receivables	722,430	676,518	10	25
<b>Total non-current assets</b>	<b>32,099,320</b>	<b>30,766,520</b>	<b>10,634,143</b>	<b>10,628,681</b>
<b>Current assets</b>				
Inventories	2,426,357	1,568,496	-	-
Trade and other receivables	1,458,540	1,139,637	177,457	64,909
Advances and prepayments	216,064	293,191	5,926	4,942
Prepaid taxes	218,646	134,074	-	-
Cash and cash equivalents	3,949,923	3,802,920	1,625,961	1,687,628
<b>Total current assets</b>	<b>8,269,530</b>	<b>6,938,318</b>	<b>1,809,344</b>	<b>1,757,479</b>
<b>Total assets</b>	<b>40,368,850</b>	<b>37,704,838</b>	<b>12,443,487</b>	<b>12,386,160</b>
<b>Current liabilities</b>				
Trade and other payables and accruals	2,354,069	1,716,990	21,607	15,729
Advances and taxes payable	249,716	220,256	-	-
Interest-bearing loans and borrowings	5,326,648	3,761,669	-	-
Bonds and Sukuk Ijarah payables	729,108	728,093	-	-
Income tax payable	91,655	77,343	363	754
<b>Total current liabilities</b>	<b>8,751,196</b>	<b>6,504,351</b>	<b>21,970</b>	<b>16,483</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	4,208,527	4,304,964	893,467	908,747
Amounts due to related parties and other payables	525,820	532,003	-	-
Provision and other liabilities	22,642	22,633	-	-
Employee benefits liabilities	1,686,347	1,555,851	-	-
Deferred tax liabilities	2,001,056	1,951,802	-	-
<b>Total non-current liabilities</b>	<b>8,444,392</b>	<b>8,367,253</b>	<b>893,467</b>	<b>908,747</b>
<b>Total liabilities</b>	<b>17,195,588</b>	<b>14,871,604</b>	<b>915,437</b>	<b>925,230</b>
<b>Net assets</b>	<b>23,173,262</b>	<b>22,833,234</b>	<b>11,528,050</b>	<b>11,460,930</b>

	Group		Company	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Equity attributable to owners of the Company</b>				
Share capital	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares	(238,263)	(238,263)	(238,263)	(238,263)
Revenue reserves	10,327,372	9,989,279	710,795	642,630
Other reserves	719,076	661,155	143,107	144,152
	<b>14,392,464</b>	<b>13,996,450</b>	<b>11,528,050</b>	<b>11,460,930</b>
Non-controlling interests	8,780,798	8,836,784	-	-
<b>Total equity</b>	<b>23,173,262</b>	<b>22,833,234</b>	<b>11,528,050</b>	<b>11,460,930</b>

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

	Group	
	30/06/2014	31/12/2013
	Rp ' million	Rp ' million
(i) Amounts payable in one year or less, or on demand		
Secured	2,394,541	2,269,528
Unsecured	3,661,215	2,220,234
Sub-total	<b>6,055,756</b>	<b>4,489,762</b>
(ii) Amounts repayable after one year		
Secured	3,297,331	3,375,235
Unsecured	911,196	929,729
Sub-total	<b>4,208,527</b>	<b>4,304,964</b>
<b>TOTAL</b>	<b>10,264,283</b>	<b>8,794,726</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	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Cash flows from operating activities</b>				
Profit before taxation	567,401	99,343	1,032,021	329,403
Adjustments :				
Depreciation and amortisation	212,169	215,056	377,397	358,819
Unrealised foreign exchange losses/ (gains)	68,492	968	(16,758)	9,048
Losses / (gains) on disposal of biological assets	145	(8,608)	2,413	(8,328)
Provision for uncollectible and changes in amortised cost of plasma receivables	(8,065)	24,079	(15,826)	28,975
Write-off of property and equipment	1,788	44	1,797	1,370
(Gains) / losses on disposal of property and equipment	(133)	912	(333)	(577)
Net changes in provision for decline in market value and obsolescence of inventories	4,132	(21,614)	6,096	(60,931)
Changes in provision for asset dismantling costs	39	(5,065)	8	(6,303)
Provision for employee benefits	79,729	48,589	130,495	97,726
Changes in fair value of long-term receivables	(60)	319	(74)	102
Provision/ (reversal) of allowance of doubtful debts	(1,296)	27	256	(201)
Realisation of deferred cost	72,160	36,015	75,869	36,015
Share of results of associated companies	4,898	-	26,804	-
Share of results of joint venture	18,166	-	38,964	-
Financial income	(56,395)	(42,883)	(111,718)	(97,632)
Financial expenses	187,241	124,481	352,070	251,521
<b>Operating cash flows before working capital changes</b>	<b>1,150,411</b>	<b>471,663</b>	<b>1,899,481</b>	<b>939,007</b>
<b>Changes in working capital</b>				
Other non-current receivables	121,384	140,053	108,668	121,626
Inventories	(494,846)	267,987	(863,958)	366,420
Trade and other receivables	(259,496)	(186,088)	(369,188)	(224,097)
Advances to suppliers	65,009	(1,292)	134,319	(146,226)
Prepaid taxes	(5,005)	14,772	(72,092)	12,529
Trade and other payables and accruals	163,506	(76,160)	468,442	166,994
Advances from customers	90,771	(9,822)	(7,877)	(85,346)
<b>Cash flows generated from operations</b>	<b>831,734</b>	<b>621,113</b>	<b>1,297,795</b>	<b>1,150,907</b>
Interest received	56,891	42,883	114,414	97,632
Interest paid	(177,278)	(124,353)	(326,896)	(244,088)
Income tax paid	(215,390)	(225,119)	(358,430)	(429,506)
<b>Net cash flows generated from operating activities</b>	<b>495,957</b>	<b>314,524</b>	<b>726,883</b>	<b>574,945</b>

	Group – Q2		Group – YTD 6 months	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(504,761)	(559,225)	(937,426)	(845,669)
Additions to biological assets	(330,051)	(282,291)	(601,041)	(477,514)
Increase in plasma receivables	(3,528)	(24,426)	(32,603)	(107,197)
Proceeds from disposal of property and equipment	330	204	912	1,923
Proceeds from disposal of biological assets	1,784	9,375	1,784	9,523
Advances for projects and purchases of fixed assets	(92,937)	(47,312)	(211,618)	(157,133)
Investment in associate companies	(6,000)	(12,260)	(6,000)	(25,555)
Investment in a joint venture	-	(667,109)	-	(667,109)
Payment for convertible note	-	-	(57,020)	-
Acquisition of subsidiaries, net of cash acquired	(34,952)	-	(34,952)	(329,989)
<b>Net cash flows used in investing activities</b>	<b>(970,115)</b>	<b>(1,583,044)</b>	<b>(1,877,964)</b>	<b>(2,598,720)</b>
<b>Cash flows from financing activities</b>				
Proceeds from interest-bearing loans and borrowings	987,850	1,407,142	2,477,718	1,943,188
Repayment of interest-bearing loans and borrowings	(301,963)	(508,180)	(926,649)	(976,046)
Net proceeds from amount due to related parties	-	21,900	222	18,020
Dividend payments by subsidiaries to non-controlling interests	(4,378)	(9,502)	(4,378)	(9,502)
Dividend payment to Company's shareholders	(67,798)	(95,594)	(67,798)	(95,594)
Purchase of treasury shares	(106,565)	-	(166,260)	-
<b>Net cash flows generated from financing activities</b>	<b>507,146</b>	<b>815,766</b>	<b>1,312,855</b>	<b>880,066</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>32,988</b>	<b>(452,754)</b>	<b>161,774</b>	<b>(1,143,709)</b>
<b>Effect of changes in exchange rates on cash and cash equivalents</b>	<b>71,452</b>	<b>27,217</b>	<b>(14,771)</b>	<b>26,469</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,845,483</b>	<b>4,390,593</b>	<b>3,802,920</b>	<b>5,082,296</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,949,923</b>	<b>3,965,056</b>	<b>3,949,923</b>	<b>3,965,056</b>



- 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	
	30/06/2014 Rp ' million	30/06/2013 Rp ' million	30/06/2014 Rp ' million	30/06/2013 Rp ' million
<b>Issued capital</b>				
Balance as at 1 January / 30 June <sup>(1)</sup>	3,584,279	3,584,279	10,912,411	10,912,411
<b>Treasury shares (Company)</b>				
Balance as at 1 January / 30 June	(238,263)	(124,208)	(238,263)	(124,208)
<b>Revenue reserves</b>				
Balance as at 1 January	9,989,279	9,794,752	642,630	504,155
Dividend payment	(67,798)	(95,594)	(67,798)	(95,594)
Net profit and total recognised income for the period	405,891	172,737	135,963	271,003
<b>Balance as at 30 June</b>	<b>10,327,372</b>	<b>9,871,895</b>	<b>710,795</b>	<b>679,564</b>
<b>Other reserves *</b>				
Balance as at 1 January	661,155	541,444	144,152	144,152
Treasury stock	26,551	-	-	-
Foreign currency translation	31,370	(21,101)	(1,045)	(22,101)
<b>Balance as at 30 June</b>	<b>719,076</b>	<b>520,343</b>	<b>143,107</b>	<b>122,051</b>
<b>Non-controlling interests</b>				
Balance as at 1 January	8,836,784	9,032,242	-	-
Dividend payments by subsidiaries	(172,544)	(289,321)	-	-
Non-controlling interest of acquired subsidiary	-	2,000	-	-
Treasury stock	(192,811)	-	-	-
Foreign currency translation	(1,692)	1,334	-	-
Net profit and total recognised income for the period	311,061	47,470	-	-
<b>Balance as at 30 June</b>	<b>8,780,798</b>	<b>8,793,725</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>23,173,262</b>	<b>22,646,034</b>	<b>11,528,050</b>	<b>11,589,818</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.

\* 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 2014, the number of issued shares was 1,447,782,830, of which 30,500,000 shares were held as treasury shares. As of 30 June 2013, the number of issued shares was 1,447,782,830, of which 13,500,000 shares were held as treasury shares.

There were no outstanding convertibles as at 30 June 2014 and 2013.

- (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	
	30/06/2014	31/12/2013
	(' 000)	(' 000)
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	(30,500)	(30,500)
Total number of issued shares excluding treasury shares	<b>1,417,283</b>	<b>1,417,283</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	Amount
	(' 000)	Rp ' million
Balance as at 1 January / 30 June 2014	<b>30,500</b>	<b>238,263</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.

**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 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 2014.

	Group – Q2			Group – YTD 6 months		
	30/06/2014	30/06/2013	Change %	30/06/2014	30/06/2013	Change %
Earnings per share (Rp)						
Based on weighted average number of share	158	46	243.5	286	120	137.8
Based on a fully diluted basis	158	46	243.5	286	120	137.8

**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 1,417,282,830 (excluding 30,500,000 held as treasury shares as of 30 June 2014 and 31 December 2013).

	Group		Company	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Net asset value per share (Rp)	10,155	9,876	8,134	8,087

- 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		
	30/06/2014 Rp ' million	30/06/2013 Rp ' million	Change %	30/06/2014 Rp ' million	30/06/2013 Rp ' million	Change %
<b>Revenue</b>						
Plantations						
External sales	1,054,341	1,124,724	(6.3)	1,930,417	2,286,386	(15.6)
Inter-segment sales *	1,277,356	802,708	59.1	2,834,527	1,384,241	104.8
Sub-total	2,331,697	1,927,432	21.0	4,764,944	3,670,627	29.8
Edible Oils & Fats **						
External sales	2,943,162	2,233,220	31.8	5,238,138	4,168,219	25.7
Inter-segment sales	1,830	4,278	(57.2)	1,830	4,278	(57.2)
Sub-total	2,944,992	2,237,498	31.6	5,239,968	4,172,497	25.6
Elimination of inter segment sales *	(1,279,186)	(806,986)	58.5	(2,836,357)	(1,388,519)	104.3
<b>Total revenue to external parties</b>	<b>3,997,503</b>	<b>3,357,944</b>	<b>19.0</b>	<b>7,168,555</b>	<b>6,454,605</b>	<b>11.1</b>
<b>Gross Profit</b>	<b>1,236,946</b>	<b>539,097</b>	<b>129.4</b>	<b>2,124,160</b>	<b>1,176,097</b>	<b>80.6</b>
Gross Profit %	30.9%	16.1%		29.6%	18.2%	

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

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

### Review of Group Performance

**Overview and Revenue:** The Group posted another consecutive quarter of strong results with 2Q2014 Net profit after tax (NPAT) increased 459% over 2Q2013. On year-to-date basis, NPAT grew 226% over 1H2013. This was principally attributable to strong contribution from the Plantation Division on higher commodity prices for palm products i.e. crude palm oil (CPO) and palm kernel (PK). The Group reported consolidated revenue (after elimination of inter-segment sales) of Rp4.0 trillion and Rp7.2 trillion in 2Q2014 and 1H2014 respectively, registering 19% and 11% increase over the same periods in 2013. The improved sales were principally attributable to higher external sales from Edible Oils & Fats (EOF) Division.

Plantation Division's total revenue (both inter-segment and external) grew 21% and 30% in 2Q2014 and 1H2014 respectively, reflecting principally higher average selling prices of palm products and higher sales volume of PK. In line with this, this division achieved strong improvement in EBITDA earnings for this quarter as well as on year-to-date basis. Inter-segment sales reported 59% and 105% increase in 2Q2014 and 1H2014 respectively on higher internal CPO sales to our EOF refineries at market prices.

EOF Division continued to deliver strong sales performance with total revenue increasing 32% and 26% in 2Q2014 and 1H2014, respectively over the comparative periods last year. The improved sales was attributable to higher average selling prices for edible oil and fats products and higher sales volume of cooking oil and margarine. The EOF Division's EBITDA earnings improved in 2Q2014 from last quarter

following the price increase for cooking oil and margarine with effect from April 2014, but it remained lower than 2013 due to higher raw material costs which primarily comprised of CPO.

**Gross Profit** for 2Q2014 and 1H2014 increased 129% and 81% respectively primarily attributable to the positive effect arising from higher average selling prices for palm products. This was partly offset by higher production cost arising from rising wages and partly arising from newly matured plantations. Plantation Division continued to deliver strong profitability, contributing positively to the Group's results.

**General and Administrative Expenses (G&A):** The Group reported higher G&A expenses principally due to higher increased salaries and employee benefits and repair and maintenance.

**Other Operating Income/ (Expenses):** Other operating income came in lower during the quarter and on year-to-date basis mainly attributable to net movements in provision for decline in market values of inventories. The Group also recorded lower Other operating expenses which mainly attributable to net movements in loss of changes in fair value of plasma receivables.

**Foreign exchange (losses)/gains** were principally attributable to the translation of US dollar and Singapore dollar denominated loans, assets and liabilities. The Group recognised foreign currency losses of Rp92 billion in 2Q2014 due to weakening of Indonesian Rupiah against US dollar and Singapore dollar during the quarter.

**Share of results of associated companies** were related to (i) Heliae, a R&D development stage company which engages in the development of technology solutions for the algae commercial production of a variety of potential uses including food & feed, fertilizer, chemicals and pharmaceuticals; and (ii) FP Natural Resources Limited (FPNRL), which in turn holds 34% stake in Roxas Holdings Inc. (Roxas), the largest integrated sugar business in the Philippines. The Group recognised share of losses of Rp47 billion in Heliae in 1H2014 compared to Rp30 billion in 1H2013. This was partly offset by a maiden profit of Rp8 billion from Roxas in 1H2014.

**Share of results of a joint venture** was related to CMAA, a 50% joint venture acquired by the Company in June 2013. The Group adopted equity accounting for this investment. CMAA commenced its sugar milling and harvesting season in early April 2014. The Group recognised Rp27 billion losses in 1H2014. Higher contribution is expected in the second half of the year from CMAA.

**Profit from Operations** came in strongly in 2Q2014, a 286% increase over last year on higher gross profit, but partly offset by higher G&A and forex losses during the quarter. On year-to-date basis, the Group likewise reported strong Profit from operations on higher gross profit, but the increase was partly offset by higher G&A.

**Financial Income / (Financial Expenses):** The Group recorded higher financial income mainly attributable to higher fixed deposit placements and increased deposit rates. The Group incurred higher financial expenses due to higher interest bearing loans and increased in interest rates during the period.

**Net Profit After Tax (NPAT)** came in strongly at Rp375 billion and Rp717 billion in 2Q2014 and 1H2014, up 459% and 226% over same periods last year primarily due to higher profits from operations as explained above, but partly offset by higher financial expenses. The Group's attributable profit likewise came in strongly during the quarter and on year-to-date basis.

**Other comprehensive income:** The foreign currency translation on investment in foreign operation was related to the investments in Heliae, FPNRL and CMAA, which denominated in US dollar and Brazilian Reals. The Group recognised translation gains of Rp78 billion in 2Q2014 arising from the weakening of Indonesian Rupiah against US dollar during the quarter.

## **Review of Financial Position**

As of end June 2014, the Group recorded total non-current assets of Rp32.1 trillion compared to Rp30.8 trillion in last year end. The increase was principally attributable to (i) additions of biological assets in respect of new plantings and immature plantations, as well as sugarcane new planting during the period; (ii) capital expenditure relating to housing and infrastructure in plantations, on-going construction works and

expansion of milling capacities; and (iii) recognition of higher deferred tax assets arising from tax losses carryforward.

The Group reported total current assets of Rp8.3 trillion, up 19% from last year end of Rp6.9 trillion. This was mainly due to (i) significantly higher inventories of Rp2.4 trillion compared to Rp1.6 trillion in the previous year end relating higher CPO at refineries and plantation, as well as stearine stocks at refineries; (ii) higher trade receivable arising from strong sales during the Lebaran festive season; and (iii) higher cash levels.

Total liabilities ended higher at Rp17.2 trillion as of end June compared to last year end of Rp14.9 trillion. This was mainly attributable to (i) higher trade and other payables and accruals relating to purchases of raw materials during the peak season; (ii) increase in bank facilities to fund the business operations; and (iii) higher estimated liabilities for employee benefits which was determined based on the actuarial calculations in accordance with the provisions of the Indonesian Labor Law.

### **Review of Cash Flows**

The Group reported positive net cash flows from operations of Rp0.7 trillion in 1H2014. This, together with the cash flows from drawdowns of additional bank loans were used to fund the capital expenditures relating to additions of fixed assets, biological assets and advances for projects of Rp1.8 trillion. The ending cash levels increased slightly to Rp3.9 trillion.

**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.***

In 1H2014, CPO prices (CIF Rotterdam) recovered to an average of US\$895 per tonne compared to averaged US\$857 per tonne in 2013. The recent CPO price increase was supported by seasonally lower production in the first half of the year and concerns over the dry weather in 1Q 2014 which may affect the palm production in the near term. Nonetheless, Indonesia has become one of the largest consumers of palm oil together with China and India given its vast and growing population base of over 240 million people. We also expect the higher biodiesel blending mandate of 10%, announced by Indonesia's government in September 2013, to sustain domestic demand growth for palm oil products.

Rubber prices (RSS3 SICOM) continues to sustain pressure on higher rubber production coming from Thailand and Indonesia in 2013. Rubber prices fell over 20% at the beginning of the year to an average of US\$2,185 per tonne in 1H2014 compared to an average of US\$2,795 per tonne in 2013. According to a leading agriculture research firm, LMC International, rubber production is expected to slow down in 2014 as producers respond to lower prices, but the demand will continue to grow driven by growth from developed markets and China.

Indonesia remains a net importer of sugar. The domestic sugar price in Indonesia is above the international market as the government operates a strict import quota system for sugar, restricting imports when domestic prices fall below the government-mandated floor price of Rp8,250 per kilogram which took effect since May 2014. By tapping into the efficiency and yield of sugar production in Brazil, we are positioning the Group to capture these opportunities with our sugar investments. Moving forward, we expect that the direction for global sugar prices will be strongly influenced by production levels in Brazil, Thailand and India, together with the Brazilian government policies on ethanol.

**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 second quarter ended 30 June 2014.

**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 the interest person transactions ("IPT") for the first half of 2014:

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>	1,949 19	- -
<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>	492 427 722 5,070	- - 44 32

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

Pursuant to Rule 705(5) 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 2014 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford  
 Chief Executive Officer and Executive Director

25 July 2014

## Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	INDOFOOD AGRI RESOURCES LTD.
<b>Securities</b>	INDOFOOD AGRI RESOURCES LTD. - SG1U47933908 - 5JS

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	25-Jul-2014 18:51:18
<b>Status</b>	New
<b>Announcement Sub Title</b>	Second Quarter and/ or Half Yearly Results
<b>Announcement Reference</b>	SG140725OTHRBJFB
<b>Submitted By (Co./ Ind. Name)</b>	Mak Mei Yook
<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	IndoAgri's Press Release for 1H 2014 Results Please see attached.

## Additional Details

<b>For Financial Period Ended</b>	30/06/2014
<b>Attachments</b>	<a href="#">IFAR1H14Press.pdf</a> Total size =73K



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FOR IMMEDIATE RELEASE

## IndoAgri posts another consecutive quarter of strong results with 2Q14 attributable profit of Rp224 billion (S\$24 million)

### HIGHLIGHTS:

- 2Q14 revenue up 19% yoy on strong recovery in commodity prices for palm products and higher external sales from Edible Oils & Fats Division
- Operating profit up 286% yoy on strong profit contribution from Plantation Division
- Attributable profit grew strongly in 2Q14, up 240% yoy
- Strong production growth for nucleus FFB and CPO in 1H14, up 18% and 25% yoy

**SINGAPORE – 25 July 2014** – SGX Main board-listed IndoAgri (the “Group”), a diversified and integrated agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, posted 2Q14 revenue of Rp3,998 billion (S\$429 million), up 19% yoy on recovery in average selling prices, as well as higher external sales from EOF Division. On year-to-date basis, revenue likewise came in higher for similar reasons.

	Rp' billion						S\$' million <sup>1</sup>			
	2Q14	2Q13	Change %	1H14	1H13	Change %	2Q14	2Q13	1H14	1H13
<b>Revenue</b>	3,998	3,358	19.0	7,169	6,455	11.1	429	360	769	692
Gross profit	1,237	539	129.4	2,124	1,176	80.6	133	58	228	126
Gross margin (%)	30.9%	16.1%		29.6%	18.2%		30.9%	16.1%	29.6%	18.2%
<b>EBITDA <sup>2</sup></b>	1,002	396	152.8	1,656	846	95.7	107	43	178	91
EBITDA margin (%)	25.1%	11.8%		23.1%	13.1%		25.1%	11.8%	23.1%	13.1%
Profit from operations	698	181	285.9	1,272	483	163.3	75	19	136	52
Profit before taxation	567	99	471.2	1,032	329	213.3	61	11	111	35
Net profit after tax	375	67	459.2	717	220	225.6	40	7	77	24
<b>Attributable profit</b>	224	66	239.9	406	173	135.0	24	7	44	19
EPS (fully diluted) - Rp/S\$ cents	158	46	243.5	286	120	137.8	1.7	0.5	3.1	1.3

<sup>1</sup> Income Statement and Balance Sheet items are converted at exchange rates of Rp9,322/S\$1 and Rp9,583/S\$1, respectively

<sup>2</sup> Earnings before interests and tax expense, depreciation and amortisation, and gain/loss from changes in fair value of biological assets and foreign exchange gains.

Operating profit grew 286% yoy in 2Q14 on strong profit contribution from Plantation Division, reflecting principally higher average selling prices of palm products. However, the increase was partly offset by higher G&A and forex losses during the quarter. On year-to-date basis, Plantation Division likewise contributed positively to the Group's operating profit, but partly offset by higher G&A expenses.

The Group reported strong attributable profit in 2Q14 and 1H14, registering 240% and 135% over the same periods last year on higher operating profit, but partly offset by higher financial expenses.

***“The Group achieved another strong set of 2Q14 results following the strong recovery in commodity prices for palm products and cooking oil and margarine. Our EOF Division reported a 26% revenue growth in 1H14 over the same period last year. The stronger sales was attributable to higher average selling prices for edible oil products and higher sales volume of cooking oil and margarine. We saw some recovery in our EOF Division's EBITDA earnings following the price increase for cooking oil and margarine with effect from April 2014. On the production front, we achieved strong FFB nucleus production of 1,488,000 tonnes in 1H14, up 18% yoy on higher production from South Sumatra and Kalimantan. CPO production grew 25% yoy to 444,000 tonnes in 1H14 arising from higher nucleus production as well as higher purchases of FFB from external parties.”***, commented Mr Mark Wakeford, CEO and Executive Director.

## **INDUSTRY OUTLOOK AND FUTURE PLANS**

In 1H2014, CPO prices (CIF Rotterdam) recovered to an average of US\$895 per tonne compared to averaged US\$857 per tonne in 2013. The recent CPO price increase was supported by seasonally lower production in the first half of the year and concerns over the dry weather in 1Q 2014 which may affect the palm production in the near term. Nonetheless, Indonesia has become one of the largest consumers of palm oil together with China and India given its vast and growing population base of over 240 million people. We also expect the higher biodiesel blending mandate of 10%, announced by Indonesia's government in September 2013, to sustain domestic demand growth for palm oil products.

Rubber prices (RSS3 SICOM) continues to sustain pressure on higher rubber production coming from Thailand and Indonesia in 2013. Rubber prices fell over 20% at the beginning of the year to an average of US\$2,185 per tonne in 1H2014 compared to an average of US\$2,795 per tonne in 2013. According to a leading agriculture research firm, LMC International, rubber production is expected to slow down in 2014 as producers respond to lower prices, but the demand will continue to grow driven by growth from developed markets and China.

Indonesia remains a net importer of sugar. The domestic sugar price in Indonesia is above the international market as the government operates a strict import quota system for sugar, restricting imports when domestic prices fall below the government-mandated floor price of Rp8,250 per kilogram which took effect since May 2014. By tapping into the efficiency and yield of sugar production in Brazil, we are positioning the Group to capture these opportunities with our sugar investments. Moving forward, we expect that the direction for global sugar prices will be strongly influenced by production levels in Brazil, Thailand and India, together with the Brazilian government policies on ethanol.

--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 June 2014, IndoAgri has 294,673 hectares planted with oil palm, rubber, sugar cane, cocoa and tea.

*For more information please visit our website at: [www.indofoodagri.com](http://www.indofoodagri.com).*