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**FIRST PACIFIC COMPANY LIMITED**

**第一太平**

*(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) 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, relating to the following:-**

- i) Unaudited Financial Statements for the full year ended 31 December 2010; and**
- ii) Press Release relating to the full year 2010 Results.**

**Dated this the 25<sup>th</sup> day of February, 2011**

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  
Professor Edward K.Y. Chen\*, *GBS, CBE, JP*


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

*\*Independent Non-executive Directors*

[Print this page](#)**FULL YEAR RESULTS \* FINANCIAL STATEMENT AND RELATED 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	25-Feb-2011 05:42:35
Announcement No.	00005

**>> ANNOUNCEMENT DETAILS***The details of the announcement start here ...*

For the Financial Period Ended *	31-12-2010
Description	Please refer to the attached file.
Attachments	 <a href="#">IFARFY10Results.pdf</a> Total size = <b>120K</b> (2048K size limit recommended)

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## UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2010

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 – Full Year		
	31/12/2010	31/12/2009	Change
	Rp ' million	Rp ' million	%
Revenue	9,484,281	9,040,325	4.9
Cost of sales	(5,733,805)	(5,814,962)	(1.4)
<b>Gross Profit</b>	<b>3,750,476</b>	<b>3,225,363</b>	<b>16.3</b>
Gross Profit %	39.5%	35.7%	
Selling and distribution costs	(297,839)	(300,989)	(1.0)
General and administrative expenses	(729,158)	(645,915)	12.9
Foreign exchange gains	60,925	303,984	(80.0)
Other operating income	33,966	128,464	(73.6)
Other operating expenses	(134,196)	(69,276)	93.7
<b>Profit from operations before biological asset gains</b>	<b>2,684,174</b>	<b>2,641,631</b>	<b>1.6</b>
Gain arising from changes in fair value of biological assets	309,269	622,570	(50.3)
<b>Profit from operations including biological asset gains</b>	<b>2,993,443</b>	<b>3,264,201</b>	<b>(8.3)</b>
Financial income	61,904	66,630	(7.1)
Financial expenses	(400,464)	(443,271)	(9.7)
<b>Profit before tax</b>	<b>2,654,883</b>	<b>2,887,560</b>	<b>(8.1)</b>
Income tax expense	(748,728)	(834,298)	(10.3)
<b>Net profit / total comprehensive income for the year</b>	<b>1,906,155</b>	<b>2,053,262</b>	<b>(7.2)</b>
<b>Total comprehensive income attributable to:-</b>			
- Owners of the parent	1,402,013	1,526,829	(8.2)
- Non-controlling interests	504,142	526,433	(4.2)
	<b>1,906,155</b>	<b>2,053,262</b>	<b>(7.2)</b>

Note : There were no other comprehensive income during the period.

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 – Full Year		
	31/12/2010	31/12/2009	Change
	Rp ' million	Rp ' million	%
Profit from operations	2,993,443	3,264,201	(8.3)
Add: Depreciation and amortisation	421,318	343,005	22.8
Less: Gain arising from changes in fair value of biological assets	309,269	622,570	(50.3)
EBITDA includes foreign exchange gains	3,105,492	2,984,636	4.0
Less: Foreign exchange gains	60,925	303,984	(80.0)
EBITDA excludes foreign exchange gains	3,044,567	2,680,652	13.6
EBITDA%	32.1%	29.7%	

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

In SGD 'cents (converted at Rp6,679/S\$1)	Group – Full Year		
	31/12/2010	31/12/2009	Change %
EPS *	14.6	15.9	(8.2)

\* EPS excluding the effect of biological asset gain would have been SGD 12.5 cents in FY2010, down 2% as compared to SGD 12.7 cents in FY2009.

In SGD 'cents (converted at Rp6,981/S\$1)	Group		
	31/12/2010	31/12/2009	Change %
NAV per share	108.9	94.1	15.7

**1(a)(ii). Profit before income tax is arrived at after charging/(crediting) the following significant items.**

Other information:-	Group – Full Year		
	31/12/2010	31/12/2009	Change
	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	408,087	342,111	19.3
Amortisation of deferred charges	13,231	894	n/m
Interest on borrowings	378,540	425,108	(11.0)
Loss on disposal of biological assets	1,579	5,146	(69.3)
Loss/ (gain) arising from changes in fair values of plasma receivables	5,854	(886)	n/m
Provision for uncollectible plasma receivables	24,599	25,269	(2.7)
Write-off of property and equipment	2,177	1,667	30.6
(Gain)/ loss on disposals of property and equipment	(1,100)	918	n/m
Net changes in provision for decline in market value and obsolescence of inventories	(7,988)	(10,343)	(22.8)
Loss on write-off of plasma receivables	26,459	26,602	(0.5)
Gain from dilution of shareholding in a subsidiary company	-	(56,286)	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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Non-current assets</b>				
Biological assets	10,453,082	9,486,096	-	-
Property, plant and equipment	6,755,667	5,653,804	65,844	70,001
Goodwill	3,155,786	3,155,786	-	-
Claims for income tax refund	400,241	328,844	-	-
Deferred tax assets	363,149	294,327	-	-
Investment in subsidiary companies	-	-	7,383,633	8,487,971
Loans to a subsidiary company	-	-	2,259,501	2,259,501
Other non-current assets	906,907	848,691	22	24
<b>Total non-current assets</b>	<b>22,034,832</b>	<b>19,767,548</b>	<b>9,709,000</b>	<b>10,817,497</b>
<b>Current assets</b>				
Inventories	1,321,248	1,082,557	-	-
Trade and other receivables	915,723	752,702	20,943	17,626
Advances to suppliers	60,411	129,876	-	-
Prepaid taxes	60,581	112,779	-	-
Cash and cash equivalents	3,795,993	1,802,345	1,621,112	183,450
<b>Total current assets</b>	<b>6,153,956</b>	<b>3,880,259</b>	<b>1,642,055</b>	<b>201,076</b>
<b>Total assets</b>	<b>28,188,788</b>	<b>23,647,807</b>	<b>11,351,055</b>	<b>11,018,573</b>
<b>Current liabilities</b>				
Trade and other payables and accruals	1,109,627	979,911	8,572	11,257
Advances from customers	98,244	92,891	-	-
Interest-bearing loans and borrowings	2,815,520	1,746,464	-	-
Income tax payable	102,417	106,182	130	130
<b>Total current liabilities</b>	<b>4,125,808</b>	<b>2,925,448</b>	<b>8,702</b>	<b>11,387</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	4,955,185	4,491,213	-	-
Bonds and sukuk ijarah payables	723,109	721,802	-	-
Other payables	284,832	323,096	-	-
Employee benefits liabilities	574,034	442,960	-	-
Deferred tax liabilities	1,825,524	1,763,993	-	-
<b>Total non-current liabilities</b>	<b>8,362,684</b>	<b>7,743,064</b>	-	-
<b>Total liabilities</b>	<b>12,488,492</b>	<b>10,668,512</b>	<b>8,702</b>	<b>11,387</b>
<b>Net assets</b>	<b>15,700,296</b>	<b>12,979,295</b>	<b>11,342,353</b>	<b>11,007,186</b>
<b>Attributable to owners of the parent</b>				
Share capital	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares	-	(29,283)	-	(29,283)
Revenue reserves	7,287,264	5,885,251	285,790	124,058
Other reserves	138,819	8,267	144,152	-
	<b>11,010,362</b>	<b>9,448,514</b>	<b>11,342,353</b>	<b>11,007,186</b>
Non-controlling interests	4,689,934	3,530,781	-	-
<b>Total equity</b>	<b>15,700,296</b>	<b>12,979,295</b>	<b>11,342,353</b>	<b>11,007,186</b>

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

	<b>Group</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>Rp ' million</b>	<b>Rp ' million</b>
(i) Amounts payable in one year or less, or on demand		
Secured	1,963,446	1,176,464
Unsecured	852,074	570,000
Sub-total	<b>2,815,520</b>	<b>1,746,464</b>
(ii) Amounts repayable after one year		
Secured	4,919,759	4,453,713
Unsecured	758,535	759,302
Sub-total	<b>5,678,294</b>	<b>5,213,015</b>
<b>TOTAL</b>	<b>8,493,814</b>	<b>6,959,479</b>

(iii) Details of the collaterals

The above bank term loans and investment loans are secured by (i) corporate guarantees from the Company and a subsidiary; and (ii) charge over the plantation assets of the respective subsidiaries.

As of 31 December 2010, the unsecured amount repayable after one year included Bonds and Sukuk Ijarah payables of Rp723 billion.

1(c). A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>Group – Full Year</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>Rp ' million</b>	<b>Rp ' million</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	2,654,883	2,887,560
Adjustments :		
Depreciation and amortisation	421,318	343,005
Unrealized foreign exchange gains	(97,836)	(386,179)
Loss on disposal of biological assets	1,579	5,146
Loss/ (gain) arising from changes in fair value of plasma receivables	5,854	(886)
Provision for uncollectible plasma receivables	24,599	25,269
Write-off of property and equipment	2,177	1,667
(Gain)/ loss on disposal of property and equipment	(1,100)	918
Net changes in provision for decline in market value and obsolescence of inventories	(7,988)	(10,343)
Loss on write-off of plasma receivables	26,459	26,602
Allowance /(write-back) of doubtful debts	304	(165)
Gain from dilution of shareholding in a subsidiary company	-	(56,286)
Gain arising from changes in fair value of biological assets	(309,269)	(622,570)
Changes in provision for asset dismantling costs	2,347	3,219
Changes in employee benefits liabilities	131,074	87,588
Changes in fair value of long-term receivables	3,334	-
Financial income	(61,904)	(66,630)
Financial expenses	400,464	443,271
<b>Operating cash flows before working capital changes</b>	<b>3,196,295</b>	<b>2,681,186</b>
<b>Changes in working capital</b>		
Other non-current assets	(47,162)	(319,290)
Inventories	(230,703)	(161,672)
Trade and other receivables	(170,477)	60,610
Advances to suppliers	59,490	(13,270)
Prepaid taxes	52,197	9,845
Trade and other payables	119,974	3,246
Advances from customers	5,353	13,334
<b>Cash flows generated from operations</b>	<b>2,984,967</b>	<b>2,273,989</b>
Interest received	61,904	67,418
Interest paid	(388,226)	(441,092)
Income tax paid	(759,782)	(1,012,558)
<b>Net cash flows generated from operating activities</b>	<b>1,898,863</b>	<b>887,757</b>

	<b>Group – Full Year</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>Rp ' million</b>	<b>Rp ' million</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(1,022,188)	(1,544,691)
Acquisition of subsidiary companies, net of cash acquired	-	(8,432)
Acquisition of non-controlling interests in subsidiary companies	(41,500)	(89,464)
Proceeds from investments in repurchase receivables	-	10,953
Additions to biological assets	(687,064)	(742,363)
Increase in plasma receivables	(128,025)	(138,407)
Proceeds from disposal of property and equipment	2,049	3,223
Proceeds from disposal of biological assets	1,261	1,381
Advances for projects and purchase of fixed assets	(464,991)	(239,807)
Investment in unquoted shares	(11,867)	-
Proceeds from divestment of interest in a subsidiary company	764,254	-
<b>Net cash flows used in investing activities</b>	<b>(1,588,071)</b>	<b>(2,747,607)</b>
<b>Cash flows from financing activities</b>		
Proceeds from interest-bearing loans and borrowings	4,226,803	4,063,016
Repayment of interest-bearing loans and borrowings	(2,577,630)	(3,641,342)
Net (payments) /proceeds from amount due to related parties	(27,152)	81,863
Dividend payments by subsidiaries to non-controlling interests	(111,117)	(108,234)
Proceeds from dilution of shareholdings in a subsidiary company	-	187,766
Proceed from issuance of bonds and sukuk ijarah	-	721,699
Proceed from sales of treasury shares	173,435	-
Increase in issued share capital in a subsidiary company	14,917	-
<b>Net cash flows generated from financing activities</b>	<b>1,699,256</b>	<b>1,304,768</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>2,010,048</b>	<b>(555,082)</b>
<b>Effect of changes in exchange rates on cash and cash equivalents</b>	<b>(16,400)</b>	<b>(50,839)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,802,345</b>	<b>2,408,266</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,795,993</b>	<b>1,802,345</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 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	
	31/12/2010 Rp ' million	31/12/2009 Rp ' million	31/12/2010 Rp ' million	31/12/2009 Rp ' million
<b>Share Capital</b>				
Balance as at 1 January / 31 December <sup>(1)</sup>	3,584,279	3,584,279	10,912,411	10,912,411
<b>Treasury Shares (IndoAgri)</b>				
Balance as at 1 January / 31 December	-	(29,283)	-	(29,283)
<b>Revenue Reserves</b>				
Balance as at 1 January	5,885,251	4,358,422	124,058	143,766
Net profit/ (loss) and total recognized income / (expenses) for the year	1,402,013	1,526,829	161,732	(19,708)
<b>Balance as at 31 December</b>	<b>7,287,264</b>	<b>5,885,251</b>	<b>285,790</b>	<b>124,058</b>
<b>Other Reserves</b>				
Balance as at 1 January	8,267	8,267	-	-
Gain on sale of treasury shares	144,152	-	144,152	-
Changes arising from disposal of shares in a subsidiary company	(13,600)	-	-	-
<b>Balance as at 31 December</b>	<b>138,819</b>	<b>8,267</b>	<b>144,152</b>	<b>-</b>
<b>Non-controlling Interests</b>				
Balance as at 1 January	3,530,781	3,053,817	-	-
Changes in non-controlling interests due to disposal of shares in a subsidiary company	777,854	-	-	-
Capital contribution from non-controlling interests	29,774	-	-	-
Dividend payments by subsidiary companies	(111,117)	(108,234)	-	-
Non-controlling interests of acquired subsidiary companies	(41,500)	(73,186)	-	-
Net change arising from treasury shares transactions in a subsidiary company	-	131,951	-	-
Net profit and total recognized income for the year	504,142	526,433	-	-
<b>Balance as at 31 December</b>	<b>4,689,934</b>	<b>3,530,781</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>15,700,296</b>	<b>12,979,295</b>	<b>11,342,353</b>	<b>11,007,186</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, the issued equity of Indofood Oil & Fats Pte. Ltd. immediately before the Acquisition and issue/placement of new shares by the Company subsequent to the Acquisition.

- (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 year. As of 31 December 2010, the number of issued shares were 1,447,782,830, and the Company had no treasury shares. As of 31 December 2009, the number of issued shares were 1,447,782,830 issued shares, of which 9,000,000 shares were held as treasury share.

There were no outstanding convertibles as at 31 December 2010 and 2009.

- (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	
	31/12/2010 ( ' 000)	31/12/2009 ( ' 000)
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	-	(9,000)
Total number of issued shares excluding treasury shares	<b>1,447,783</b>	<b>1,438,783</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 ( ' 000)	Amount Rp ' million
Balance as at 1 January 2010	9,000	29,283
Purchase of Treasury shares	-	-
Sale of Treasury shares	(9,000)	(29,283)
Balance as at 31 December 2010	-	-

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.**

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting year compared with the audited consolidated financial statements as at 31 December 2009, except for the adoption of FRS and INT FRS that are mandatory for financial years beginning on or after 1 January 2010. The adoption of these FRS and INT FRS has no significant impact on the consolidated financial statements, except for FRS 27 (revised) and FRS 103 (revised).

**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 year attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. 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 year is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 31 December 2010.

Earnings per share (Rp)	Group – Full Year		Change %
	31/12/2010	31/12/2009	
Based on weighted average number of share	974	1,061	(8.2)
Based on a fully diluted basis	974	1,061	(8.2)

**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 year divided by the issued share capital of 1,447,782,830 shares as of 31 December 2010 and 1,438,782,830 (excluding 9,000,000 held as treasury shares) as of 31 December 2009.

Net asset value per share (Rp)	Group		Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	7,605	6,567	7,834	7,650

- 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 – Full Year		
	31/12/2010 Rp ' million	31/12/2009 Rp ' million	Change %
Revenue			
Plantations			
External sales	2,867,105	3,121,227	(8.1)
Inter-segment sales *	4,113,440	2,925,137	40.6
Sub-total	6,980,545	6,046,364	15.5
Edible Oils & Fats **			
External sales	6,617,176	5,919,098	11.8
Inter-segment sales *	-	-	-
Sub-total	6,617,176	5,919,098	11.8
Elimination of inter-segment sales *	(4,113,440)	(2,925,137)	40.6
<b>Total revenue to external parties</b>	<b>9,484,281</b>	<b>9,040,325</b>	<b>4.9</b>
<b>Gross Profit</b>	<b>3,750,476</b>	<b>3,225,363</b>	<b>16.3</b>
Gross Profit %	39.5%	35.7%	

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

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

**Overview:** Group's FY2010 consolidated revenue was up 5% with a net profit of Rp1.9 billion. Comparing to a year ago, FY2010 net profit was 7% lower principally due to significantly lower biological assets gain and net foreign exchange gains.

**Revenue:** Plantation Division recorded a good year with total revenue up 16% in FY2010 compared to last year, reflecting higher average selling prices of crude palm oil (CPO), palm kernel and rubber, as well as higher sales volume of palm seeds and contribution from sugar sales.

Edible Oils & Fats Division reported a solid recovery during the quarter, increasing this division full year sales by 12% over last year. The impressive sales performance was principally attributable to higher average selling prices across all edible oil products and higher sales volume of cooking oil and margarine.

The Group's consolidated revenue (after elimination of inter-segment sales) in FY2010 grew 5% against last year. The improved sales were mainly attributed to higher sales of edible oil and fat products, coupled with higher average selling prices of CPO, palm kernel and rubber, as well as higher sales volume of palm seeds and contribution from sugar sales. This was partially offset by lower sales volume of CPO to external parties as the Group dedicated higher internal CPO to the Group's refineries (up 27% to 580,342 MT in FY2010 from 456,509 MT a year ago) at market price. The dedication of higher internal CPO to the downstream refinery provides the Group with an assured supply of higher quality CPO and reduces the refinery's reliance on external parties for its CPO requirements.

**Gross Profit:** Group's gross profit came in higher than last year by 16% in FY2010. Strong gross profit recorded by the Plantation Division contributed to the improved results. This was partially offset by lower profit contribution from Edible Oils and Fats Division due to stiff price competition in the market.

**Operating Expenses (i.e. comprise of S&D Expenses, G&A, Other Operating Income / Expenses)**  
G&A expenses came in 13% higher in FY2010 mainly due to increased salaries and employee benefits, as well as higher professional fees.

Other Operating Income was lower at Rp34 billion in FY2010, compared to Rp128 billion a year ago. This was due to several income items recognized in FY2009, among other, the reversal of provision for decline in market values of inventories of Rp10 billion and gains from dilution of shareholding in a subsidiary of Rp56 billion.

The Group incurred higher Other Operating Expenses of Rp134 billion in FY2010 compared to Rp69 billion in last year. This was principally attributable to fees relating to Sukuk Ijarah Bonds and amortization of new SAP IT system.

**Gain/(loss) arising from changes in fair value of biological assets:** In accordance with the Singapore Financial Reporting Standards ("SFRS") No. 41, "Agriculture", biological assets are stated at fair value less estimated point-of-sale costs (estimated selling costs). Gain or loss arising from the changes in fair value of the biological assets at each reporting date are included in the consolidated income statement for the period in which they arise.

Notwithstanding the above, currently it is the practice of the Group to engage an independent firm of valuers to prepare the valuation of the biological assets (which primarily comprise oil palm and rubber plantations) on a semi-annual basis. The valuations were prepared based on the discounted net future cash flows of the underlying plantations. The expected net future cash flows of the underlying plantations are determined using the forecasted market prices of the related agricultural produce.

The Group had appointed an independent firm of valuers, namely, Messrs Benny, Desmar & Rekan ("BD&R") to perform the biological assets valuation for 2010. The Group recognised Rp309 billion of gains in FY2010 (vs Rp623 billion in last year) mainly due to lower projected CPO prices in Rupiah terms due to a stronger projected Rupiah currency against the US dollar. The long term projected CPO prices remain relatively stable compared to the previous year's projections.

**Profit from Operations:** FY2010 Profit from Operations declined 8% due to a substantially lower biological assets gain (Rp309 billion in FY2010 vs. Rp623 billion in FY2009), lower net foreign exchange gains mainly relating to the revaluation of US dollar denominated loans; and higher operating expenses as explained above. Excluding the effects of the biological assets gains and net foreign exchange gains, the adjusted FY2010 Profits from Operations would have been Rp2.6 trillion, up 12% against last year.

**Financial Income / Expenses:** Financial expenses came in 10% lower at Rp400 billion in FY2010 from Rp443 billion a year ago. This was mainly due to lower blended interest rates.

**Tax Expense:** The effective tax rate in FY2010 and FY2009 stood at 28% and 29% respectively, which was higher than the prevailing corporate tax rate of 25%. This was mainly due to the non-deductible interest charges on the acquisition loans.

**Net Profit After Tax (NPAT):** FY2010 Group's NPAT came in 7% lower against last year mainly due to lower Profits from Operations as explained above, and partly negated by lower financial expenses during the year.



### **Review of Financial Position**

The Group's non-current assets totalled Rp22.0 trillion as at 31 December 2010, up from Rp19.8 trillion as at 31 December 2009. The increase was principally attributable to:

- additions of biological assets in respect of new planting and immature plantations as well as increase in fair values of biological assets based on the independent valuations prepared by BD&R;
- capital expenditure relating to housing and infrastructure in plantations, on-going construction works for a new CPO refinery located in Jakarta, a sugar factory located in South Sumatra, new palm oil mills in Kalimantan and South Sumatra; and
- the increase in other non-current assets was attributable to higher plasma receivables..

Total current assets were Rp6.2 trillion as at 31 December 2010 compared to Rp3.9 trillion in the previous year end. This was mainly due to:

- inventories ended higher at Rp1.3 trillion as of 31 December 2010 versus Rp1.1 trillion at the end of 2009. This was principally due to higher CPO stock level, reflecting both higher volume and average CPO prices. Higher palm by-product and stearine stock have contributed to the higher inventories. This was partly offset by lower crude coconut oil and fertilizers stocks.
- higher trade and other receivables relating to higher receivables from related companies and increased sales of cooking oil and margarine.
- cash levels ended significantly higher at Rp3.8 trillion as of 31 December 2010 compared to Rp1.8 trillion at the end of 2009. This was principally due to positive cash flows generated from operating activities; and net proceeds arising from the sale of 9,000,000 treasury shares of the Company for Rp173 billion in November 2010 and the divestment of 4.9% stake in Lonsum to external parties for Rp764 billion in December 2010. The Group spent Rp2.2 trillion on purchases of assets and additions to biological assets, this was funded by net cash flows generated from operations and drawdowns of banking facilities.
- advances to suppliers ended lower due to decrease or realization of advances for purchases of equipment, spare parts, land clearing and shipping vessels.

Total liabilities increased from Rp10.7 trillion at the end of 2009 to Rp12.5 trillion as at 31 December 2010. The increase was mainly due to the following:

- higher level of interest bearing loans and borrowings relating to additional bank facilities for the plantation and sugar operations;
- increase in other payables relating to the new CPO refinery and accruals for purchases of crops; and
- higher estimated liabilities for employee benefits which was determined based on the actuarial calculations in accordance with the provisions of the Indonesian Labor Law.

The increase in other reserves during the year of Rp131 billion was principally due to the gains arising from the sale of treasury shares of the Company and the divestment of 4.9% stake in Lonsum to external parties.

**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.**

CPO prices (CIF Rotterdam) rebounded from an average of US\$683 per tonne in FY2009 to US\$1,108 per tonne in Q42010 and US\$901 per tonne in FY2010. The strong recovery in CPO prices was supported by tighter palm oil supply from the major palm producing countries (i.e. Malaysia and Indonesia); and lower global vegetable oil supply and inventories arising from the adverse weather conditions.

We expect palm oil demand to be supported in 2011 by, among other factors, the gradual recovery in the global economic climate and consumption demand from countries such as India, China and the emerging Asian economies, coupled with demand for biodiesel driven by government mandates in Europe, Brazil and Argentina.

Looking ahead, we expect the domestic demand for palm oil products to remain supported in the short to medium term by demand from the food and beverage industry and population growth.

Rubber prices (RSS 3 Singapore) also reported a strong rebound from an average of US\$1,979 per tonne in FY2009 to US\$3,758 per tonne in FY2010 principally due to high rubber demand from emerging markets and a severe supply deficit caused by heavy rains in Thailand and Malaysia.

Sugar prices (LIFFE) rose from an average of US\$486 per tonne in FY2009 to US\$616 per tonne in FY2010 as the sugar production has been affected by adverse weather conditions, most recently in Queensland Australia. Sugar price direction will be in part determined by production in Brazil and India, and whether India is a net importer or exporter of sugar.

**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 year ended 31 December 2010.

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	Edible Oil &Fats	Others/ eliminations	Total
<b><u>Full Year 2010</u></b>				
<b><u>Revenue</u></b>				
External sales	2,867,105	6,617,176	-	9,484,281
Inter-segments sales	4,113,440	-	(4,113,440)	-
<b>Total Revenue</b>	<b>6,980,545</b>	<b>6,617,176</b>	<b>(4,113,440)</b>	<b>9,484,281</b>
<b><u>Results</u></b>				
Segment profit	2,987,042	33,141	(87,665) **	2,932,518
Segment profit %	42.8%	0.5%	2.1%	30.9%
Net gain on foreign exchange				60,925
Net financial expenses				(338,560)
<b>Profit before taxation</b>				<b>2,654,883</b>
Tax expense				(748,728)
<b>Profit for the period</b>				<b>1,906,155</b>

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations	Total
<b><u>Full Year 2009</u></b>				
<b><u>Revenue</u></b>				
External sales	3,121,227	5,919,098	-	9,040,325
Inter-segments sales	2,925,137	-	(2,925,137)	-
<b>Total Revenue</b>	<b>6,046,364</b>	<b>5,919,098</b>	<b>(2,925,137)</b>	<b>9,040,325</b>
<b><u>Results</u></b>				
Segment profit	2,876,769	72,067	11,381 **	2,960,217
Segment profit %	47.6%	1.2%	(0.4%)	32.7%
Net gain on foreign exchange				303,984
Net financial expenses				(376,641)
<b>Profit before taxation</b>				<b>2,887,560</b>
Tax expense				(834,298)
<b>Profit for the period</b>				<b>2,053,262</b>

\*\* Others/eliminations include elimination adjustments for inter-division sales and purchases, net unrealised margins arising from inter-division sales and purchases and regional office's overhead costs.



**Revenue by Geographical Market** (based on shipment destination)

	Group – Full Year				
	31/12/2010		31/12/2009		Change
	Rp' million	%	Rp' million	%	%
Indonesia	7,312,613	77.1	7,000,942	77.4	4.5
Asia	1,192,886	12.6	1,062,917	11.8	12.2
Europe	245,221	2.6	528,056	5.8	(53.6)
America	572,820	6.0	286,160	3.2	n/m
Africa, Middle East & Oceania	160,741	1.7	162,250	1.8	(0.9)
<b>Total revenue</b>	<b>9,484,281</b>	<b>100.0</b>	<b>9,040,325</b>	<b>100.0</b>	<b>4.9</b>

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Para 8 and 10 above.

**15. A breakdown of sales**

	Group – Full Year		
	2010 Rp 'million	2009 Rp 'million	% Increase / (Decrease)
(a) Sales reported for the first half year	4,207,056	4,283,737	(1.8)
(b) Profit after tax before deducting non-controlling interests for first half year	723,195	1,278,666	(43.4)
(c) Sales reported for second half year	5,277,225	4,756,588	10.9
(d) Profit after tax before deducting non-controlling interests reported for second half year	1,182,960	774,596	52.7

**Notes:**

Profit after tax before non-controlling interests, excluding fair value gain or loss on the biological assets:-

	Group – Full Year		
	2010 Rp 'million	2009 Rp 'million	% Increase / (Decrease)
(b) Profit after tax before deducting non-controlling interests for first half year	708,063	833,772	(15.1)
(d) Profit after tax before deducting non-controlling interests reported for second half year	966,140	752,563	28.4

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full as follows:**

Please refer to Para 11 above.

**17. 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 Full Year 2010:

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 &amp; margarine</li> <li>• Purchase of goods and services</li> </ul>	2,501.9 57.1	- -
<b>Salim Group</b>		
<ul style="list-style-type: none"> <li>• Sales of seeds</li> <li>• Management Fee</li> <li>• Purchases of services</li> <li>• Interest bearing loans from Salim Group to subsidiaries in which Salim Group has a 40% shareholding interest</li> <li>• Interest bearing loans to subsidiaries which Salim Group has a 40% shareholding interest                             <ul style="list-style-type: none"> <li>○ Principal amount outstanding in respect of the interest bearing loans at end of year</li> <li>○ Maximum loan outstanding (inclusive of principal and interest) during the year</li> </ul> </li> <li>• Corporate guarantees extended in favour of banks in respect of loan facilities extended to certain subsidiaries, which Salim Group has a 40% shareholding interest                             <ul style="list-style-type: none"> <li>○ Principal amount outstanding in respect of the bank loan facilities at end of year</li> <li>○ Maximum loan outstanding (inclusive of principal and interest) during the year</li> </ul> </li> <li>• Rental of land</li> </ul>	30.2 1.1 22.6 130.5  202.1 372.6  2,295.3 2,383.4 0.5	- - - 14.4  21.6 21.7  50.0 50.3 -

BY THE ORDER OF THE BOARD


Mark Julian Wakeford  
 Chief Executive Officer and Executive Director

25 February 2011

[Print this page](#)**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	25-Feb-2011 05:46:14
Announcement No.	00006

**>> ANNOUNCEMENT DETAILS***The details of the announcement start here ...*

Announcement Title *	IndoAgri's Press Release for FY2010
Description	Please refer to the attached file.
Attachments	 <a href="#">IFARFY10Press.pdf</a> Total size = <b>71K</b> (2048K size limit recommended)

[Close Window](#)

FOR IMMEDIATE RELEASE

## IndoAgri registers a solid 107.7% yoy growth in 4Q10 attributable profit to Rp598 billion (S\$89 million)

### HIGHLIGHTS:

- Revenue up 30.9% in 4Q10 vs 4Q09 on higher sales across all divisions
- Gross Profit grew strongly in 4Q10, up 54.0% over 4Q09 on higher selling prices of palm products and rubber; and higher sales volume of palm seeds
- Profit from Operations grew an impressive 92.1% in 4Q10 vs 4Q09 mainly from higher gross profit and higher biological asset gains
- Strong cash position of Rp3.8 trillion (S\$544 million) compared to Rp1.8 trillion (S\$258 million) a year ago, reducing net gearing ratio from 0.40 to 0.30

**SINGAPORE – 25 February 2011** – SGX Main board-listed IndoAgri (the “Group”), a major vertically integrated agribusiness group and manufacturer of leading brands of edible oils and fats in Indonesia, registered higher sales volumes of edible oil and fat products and palm seeds, higher average selling prices of CPO, palm kernel and rubber, as well as contribution from sugar sales; attributing to a 30.9% increase in revenue for 4Q10 vs 4Q09. The Group recorded FY10 consolidated revenue of Rp9.5 trillion (S\$1.4 billion)<sup>1</sup>, 4.9% increase over FY09.

In Rp ‘ billion	4Q10	4Q09	4Q10 vs. 4Q09 %	FY10	FY09	FY10 vs FY09 %
<b>Revenue</b>	2,979	2,275	30.9	9,484	9,040	4.9
Gross Profit	1,324	860	54.0	3,750	3,225	16.3
Gross Margin (%)	44.4	37.8		39.5	35.7	
<b>EBITDA<sup>2</sup></b>	1,073	652	64.6	3,045	2,681	13.6
EBITDA Margin (%)	36.0	28.7		32.1	29.7	
Profit from operations before biological asset gains	951	616	54.3	2,684	2,642	1.6
Gains arising from changes in fair value of biological assets	289	29	n/m	309	622	n/m
Profit from operations including biological asset gains	1,239	645	92.1	2,993	3,264	(8.3)
Profit Before Taxation	1,159	559	107.4	2,655	2,888	(8.1)
Net Profit After Tax	823	380	116.5	1,906	2,053	(7.2)
<b>Attributable Net Profit</b>	598	288	107.7	1,402	1,527	(8.2)
EPS (fully diluted) – Rp	415	200	107.5	974	1,061	(8.2)

<sup>^</sup>denotes percentage points

<sup>1</sup> Income Statement and Balance Sheet items are converted at exchange rates of Rp6,679/S\$1 and Rp 6,981/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.

Gross profit increased 54.0% in 4Q10 to Rp1.3 trillion (S\$198 million) from Rp0.9 trillion (S\$129 million) in 4Q09, primarily due to robust earnings recorded by the Plantation Division. FY10 gross profit was likewise higher at Rp3.8 trillion (S\$562 million), 16.3% increase from a year ago.

The Group achieved a solid 4Q10 attributable profit of Rp598 billion (S\$89 million), up 107.7% against 4Q09. On full year basis, attributed profit declined 8.2% mainly due to lower gain arising from changes in fair values of biological asset and reduced net foreign exchange gains attributed to the revaluation of US dollar denominated loans.

***“We are pleased to report a robust set of Q4 results, driven by strong commodity prices and increase in sales revenue. Our EBITDA increased 64.6% in Q410 and 13.6% in FY10 against the corresponding periods last year, with full year CPO production of 740,000 tonnes. During the year, we planted 15,041 hectares of new oil palm and 2,630 hectares of sugar cane, increasing our total planted area to 242,107 hectares. The Group’s balance sheet was strengthened during the quarter, reducing our net gearing ratio to 0.30 and increasing our cash balance to Rp3.8 trillion (S\$544 million). We believe these results underpin and demonstrate the strength of our integrated business model.”, commented Mr Mark Wakeford, CEO and Executive Director.***

## **INDUSTRY OUTLOOK AND FUTURE PLANS**

The continued adverse wet weather conditions throughout the year have tightened the global vegetable oil supply and inventories. As a result, CPO prices rallied strongly to an average of US\$901 per tonnes in FY10 from US\$683 per tonne in FY09. The Group expects palm oil demand to be supported in 2011 by, among other factors, the gradual recovery in the global economic climate and consumption demand from countries such as India, China and the emerging Asian economies coupled with demand for biodiesel driven by government mandates in Europe, Brazil and Argentina.

Rubber prices registered strong rebound in 2010 due to higher rubber demand from emerging markets, and a supply deficit caused by adverse wet weather conditions in Malaysia and Thailand.

Sugar prices (LIFFE) rose from an average of US\$486 per tonne in FY2009 to US\$616 per tonne in FY2010 as the sugar production has been affected by adverse weather conditions, most recently in Queensland Australia. Sugar price direction will be in part determined by production in Brazil and India, and whether India is a net importer or exporter of sugar.

***“Looking ahead, we expect the domestic demand for palm oil products to remain supported in the short to medium term by demand from the food and beverages industry and population growth. The expanded capacity from our new CPO refinery in Jakarta completed in December 2010 has added much needed capacity to grow our Edible Oils and Fats business. In addition, we are building a sugar factory in South Sumatra and new palm oil mills in Kalimantan and South Sumatra, which will further strengthen our plantation operations.”, added Mr Mark Wakeford, CEO and Executive Director.***

--The End --

### **ABOUT INDOAGRI**

**Indofood Agri Resources Ltd. (“IndoAgri”)** is a vertically 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 Dec 2010, IndoAgri has 242,107 hectares planted with oil palm, rubber and sugar. In addition, IndoAgri also owns other crops such as cocoa, tea and coconut.

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