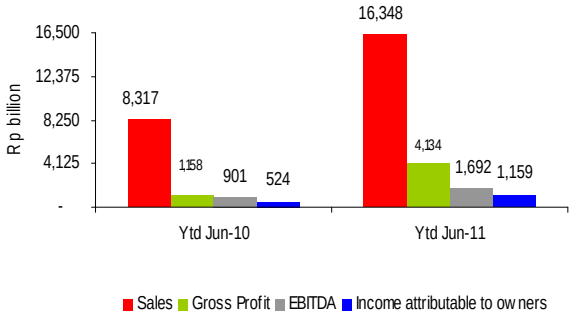
Smartnews

June 2011

smart agribusiness and food

Performance Summary



The Company continued to deliver sterling results for the first half of 2011, supported by stronger CPO market prices and increased production. Sales value almost doubled to Rp 16.35 trillion compared to Rp 8.32 trillion last year, while gross profit more than tripled to Rp 4.13 trillion. EBITDA came in at Rp 1.69 trillion, an 88% increase from Rp 901 billion in 2010. Net income attributable to owners of the Company more than doubled to Rp 1.16 trillion compared to Rp 524 billion last year.

As of 30 June 2011, the Company's palm plantation hectarage stood at 137,489 hectares, comprising of 125,364 hectares mature and 12,125 hectares immature estates. Nucleus and plasma estates were 107,814 and 29,675 hectares, respectively.

Production

Description	Jun 2010	Jun 2011	Growth
FFB produced - tonnes	1,056,798	1,323,896	25.3%
CPO produced - tonnes	277,200	340,206	22.7%
PK produced - tonnes	61,023	73,861	21.0%
Oil extraction rate - %	23.37	23.23	-0.14%
Kernel extraction rate - %	5.14	5.04	-0.10%

Subsequent to unfavourable weather conditions in 2010, FFB production during the first half of 2011 improved tremendously by 25.3% compared to the same period last year. Hence, CPO and PK production also increased to 340,206 tonnes and 73,861 tonnes, respectively. Oil extraction rate and kernel extraction rate also continued their recovery from the lower performance in second half 2010, but were still somewhat lower compared to first half 2010, at 23.23% and 5.04%, respectively.

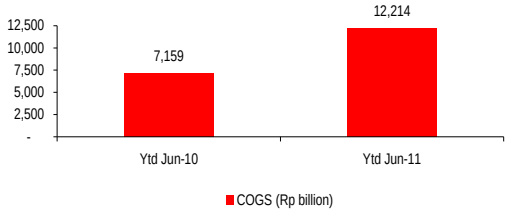
Net Sales

Products	Jun 2010		Jun 2011	
	Rp bn	%	Rp bn	%
Cooking Oil	506	6.1%	936	5.7%
Margarine	383	4.6%	665	4.1%
Total Branded	889	10.7%	1,601	9.8%
Refined Product	2,789	33.5%	4,143	25.3%
CPO and non-refined product	4,265	51.3%	10,051	61.5%
Total Unbranded	7,054	84.8%	14,194	86.8%
Others	374	4.5%	553	3.4%
Total Sales	8,317	100.0%	16,348	100.0%

During the period of January to June 2011, sales from branded cooking oil and margarine increased significantly by 85% and 74%, respectively, attributable to increases in sales volume and selling prices. In total, sales came in at Rp 1.60 trillion from Rp 889 billion previously. Sales of unbranded products doubled to Rp 14.19 trillion from Rp 7.05 trillion during the corresponding period in 2010, supported by increases in both volume and average selling prices.

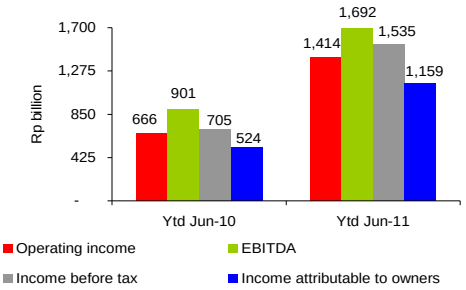
Cost of goods sold

Cost of goods sold for the six-month period ended June 2011 increased by 71% to Rp 12.21 trillion from Rp 7.16 trillion for the same period last year. The increase was mainly due to higher purchase prices and quantity of raw materials used, in line with the growing sales.



Operating income

During the first half of 2011, the Company's operating income grew by 112% to Rp 1.41 trillion from Rp 666 billion previously, while gross profit increased significantly to Rp 4.13 trillion.



EBITDA

EBITDA during the first six months of 2011 increased by 88% to Rp 1.69 trillion from Rp 901 billion achieved for the same period in 2010, in line with higher operating income.

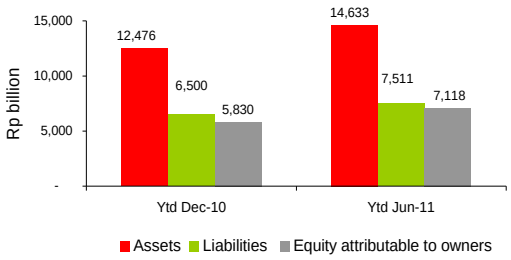
Income attributable to owners

Income attributable to owners of the Company during the six-month period ended June 2011 more than doubled to Rp 1.16 trillion from Rp 524 billion previously, corresponding to the EBITDA strengthening. This resulted in earnings per share of Rp 404.

Assets

As of 30 June 2011, the Company's total assets grew by 17% to Rp 14.63 trillion from Rp 12.48 trillion at the end of December 2010.

Higher total assets was attributable to increases in current assets, such as short-term investments, accounts receivable and inventories, as well as increase in cash and cash equivalents due to bank loans drawdown for working capital.



Liabilities

Total liabilities as at 30 June 2011 increased to Rp 7.51 trillion from Rp 6.50 trillion as at 31 December 2010, mostly due to the increase in short-term bank loans and loan from shareholder. Of this amount, total bank debt was Rp 3.64 trillion.

As of 30 June 2011, our net gearing (net debt to equity) further strengthened to 0.58 compared to 0.69 at end of last year.

Equity attributable to owners

Total equity attributable to owners of the Company as at end of June 2011 reached Rp 7.12 trillion from Rp 5.83 trillion as at 31 December 2010. The Company's retained earnings totaled Rp 4.70 trillion as at end of June 2011 compared to Rp 3.40 trillion as at end of 2010, mostly resulting from current period's income.