



BUMITAMA AGRI LTD.

Unaudited Financial Statements for the Second Quarter ("2Q") and First Half ("1H") Ended 30 June 2015

1(a)(i) Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group | | | | | |
|--------------------------------------|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | 2nd Quarter | | | 1st Half | | |
| | 2015 IDR million | 2014 IDR million | Change (%) | 2015 IDR million | 2014 IDR million | Change (%) |
| Revenue | 1,581,256 | 1,463,929 | 8.0% | 2,915,177 | 2,821,253 | 3.3% |
| Cost of sales | (1,177,645) | (817,287) | 44.1% | (2,046,601) | (1,645,023) | 24.4% |
| Gross profit | 403,611 | 646,642 | -37.6% | 868,576 | 1,176,230 | -26.2% |
| Interest Income | 34,704 | 20,050 | 73.1% | 67,100 | 25,920 | 158.9% |
| Selling expense | (53,880) | (43,825) | 22.9% | (93,459) | (76,751) | 21.8% |
| General and administrative expense | (39,311) | (31,983) | 22.9% | (104,303) | (103,430) | 0.8% |
| Finance cost | (36,081) | (36,483) | -1.1% | (77,005) | (51,432) | 49.7% |
| Foreign exchange loss | (617) | (85,458) | -99.3% | (32,254) | (53,571) | -39.8% |
| Other expenses | (7,308) | (18,268) | -60.0% | (13,217) | (23,578) | -43.9% |
| Other income | 7,818 | 1,866 | 318.9% | 10,090 | 12,182 | -17.2% |
| Share of loss of associate companies | (3,166) | (8,551) | -63.0% | (46,173) | (9,837) | 369.4% |
| Profit before income tax | 305,770 | 443,990 | -31.1% | 579,355 | 895,733 | -35.3% |
| Income tax expense | (65,050) | (99,035) | -34.3% | (126,658) | (196,695) | -35.6% |
| Profit for the period | 240,720 | 344,955 | -30.2% | 452,697 | 699,038 | -35.2% |
| Attributable to: | | | | | | |
| Owners of the Company | 217,088 | 293,335 | -26.0% | 398,662 | 601,171 | -33.7% |
| Non-controlling interests | 23,632 | 51,620 | -54.2% | 54,035 | 97,867 | -44.8% |
| | 240,720 | 344,955 | -30.2% | 452,697 | 699,038 | -35.2% |

Additional Information

| | Group | | | | | |
|---|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | 2nd Quarter | | | 1st Half | | |
| | 2015 IDR million | 2014 IDR million | Change (%) | 2015 IDR million | 2014 IDR million | Change (%) |
| Profit before income tax | 305,770 | 443,990 | -31.1% | 579,355 | 895,733 | -35.3% |
| Depreciation and amortisation | 58,264 | 41,972 | 38.8% | 92,674 | 79,867 | 16.0% |
| Foreign exchange loss | 617 | 85,458 | -99.3% | 32,254 | 53,571 | -39.8% |
| Finance cost | 36,081 | 36,483 | -1.1% | 77,005 | 51,432 | 49.7% |
| Interest income | (34,704) | (20,050) | 73.1% | (67,100) | (25,920) | 158.9% |
| Withholding tax expense on dividend (in Other expenses) | - | 22,007 | -100.0% | - | 22,007 | -100.0% |
| EBITDA | 366,028 | 609,860 | -40.0% | 714,188 | 1,076,690 | -33.7% |

1(a)(ii) A statement of total comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Group | | | | | |
|---|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | 2nd Quarter | | | 1st Half | | |
| | 2015 IDR million | 2014 IDR million | Change (%) | 2015 IDR million | 2014 IDR million | Change (%) |
| Statement of comprehensive income: | | | | | | |
| Profit for the period | 240,720 | 344,955 | -30.2% | 452,697 | 699,038 | -35.2% |
| Other comprehensive income | | | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | | | |
| Foreign currency translation | (69,643) | (50,054) | 39.1% | (151,498) | 34,963 | n.m. |
| Fair value reserve on derivative | 5,451 | 24,560 | -77.8% | 8,662 | 9,367 | -7.5% |
| Other comprehensive income for the period, net of tax | (64,192) | (25,494) | 151.8% | (142,836) | 44,330 | n.m. |
| | | | | | | |
| Total comprehensive income for the period | 176,528 | 319,461 | -44.7% | 309,861 | 743,368 | -58.3% |
| | | | | | | |
| Attributable to: | | | | | | |
| Owners of the Company | 152,896 | 264,199 | -42.1% | 255,826 | 644,189 | -60.3% |
| Non-controlling interests | 23,632 | 55,262 | -57.2% | 54,035 | 99,179 | -45.5% |
| | 176,528 | 319,461 | -44.7% | 309,861 | 743,368 | -58.3% |

n.m. not meaningful

1(b)(i) Statement of Financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | Company | |
|---|-------------------|-------------------|------------------|------------------|
| | 30-Jun-15 | 31-Dec-14 | 30-Jun-15 | 31-Dec-14 |
| | IDR million | IDR million | IDR million | IDR million |
| ASSETS | | | | |
| Non-current assets | | | | |
| Biological assets | 7,893,992 | 7,517,948 | - | - |
| Plasma receivables | 1,221,923 | 784,662 | - | - |
| Property, plant and equipment | 3,046,483 | 2,865,809 | 156 | 184 |
| Land use rights | 497,645 | 486,160 | - | - |
| Investment in subsidiaries | - | - | 396,021 | 396,021 |
| Investment in associate companies | 42,821 | 84,250 | 140,989 | 131,556 |
| Intangible assets | 170,520 | 171,276 | - | - |
| Deferred tax assets | 271,170 | 256,592 | - | - |
| Deferred charges/other receivable | 11,115 | 10,263 | 12,735 | 11,883 |
| Due from subsidiaries | - | - | 5,844,067 | 5,581,149 |
| Loan to an associate company | 302,400 | 282,167 | 302,400 | 282,167 |
| Total Non-current assets | 13,458,069 | 12,459,127 | 6,696,368 | 6,402,960 |
| Current assets | | | | |
| Inventories | 506,978 | 526,801 | - | - |
| Deferred charges | 7,834 | 8,326 | 219 | - |
| Trade and other receivables | 559,806 | 139,576 | - | - |
| Due from related companies | 129,985 | 126,270 | - | - |
| Due from subsidiaries | - | - | 2,133,120 | 435,400 |
| Prepayments and advances | 162,136 | 81,099 | 104,988 | 199 |
| Dividend receivables | - | - | - | 194,400 |
| Prepaid taxes | 246,405 | 151,292 | 70 | 34 |
| Cash and short-term deposits | 505,640 | 310,858 | 22,042 | 8,701 |
| Total Current assets | 2,118,784 | 1,344,222 | 2,260,439 | 638,734 |
| Total Assets | 15,576,853 | 13,803,349 | 8,956,807 | 7,041,694 |
| Current liabilities | | | | |
| Loans and borrowings | 2,223,311 | 588,959 | 2,128,406 | 433,324 |
| Trade and other payables | 874,058 | 772,622 | - | - |
| Accrued operating expenses | 187,334 | 154,377 | 106,727 | 71,745 |
| Dividend payables | - | 20,400 | - | - |
| Sales advances | 74,461 | 165,237 | - | - |
| Income taxes payable | 55,256 | 221,107 | 4,791 | 2,309 |
| Total Current liabilities | 3,414,420 | 1,922,702 | 2,239,924 | 507,378 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 724,078 | 690,933 | - | - |
| Loans and borrowings | 69,357 | 139,769 | - | - |
| Islamic medium term notes | 3,516,563 | 3,551,370 | 3,516,563 | 3,551,370 |
| Post employment benefits | 12,259 | 12,369 | - | - |
| Derivative financial liabilities | 682,261 | 377,480 | 682,261 | 377,480 |
| Total Non-current liabilities | 5,004,518 | 4,771,921 | 4,198,824 | 3,928,850 |
| Total Liabilities | 8,418,938 | 6,694,623 | 6,438,748 | 4,436,228 |
| Net Assets | 7,157,915 | 7,108,726 | 2,518,059 | 2,605,466 |
| Equity attributable to owners of the Company | | | | |
| Share capital | 1,807,045 | 1,807,045 | 1,807,045 | 1,807,045 |
| Other reserves | (231,501) | (240,163) | (46,563) | (55,225) |
| Retained earnings | 5,026,627 | 4,889,062 | 48,280 | 298,376 |
| Foreign currency translation reserve | (124,206) | 27,292 | 709,297 | 555,270 |
| | 6,477,965 | 6,483,236 | 2,518,059 | 2,605,466 |
| Non-controlling interests | 679,950 | 625,490 | - | - |
| Total Equity | 7,157,915 | 7,108,726 | 2,518,059 | 2,605,466 |

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

- Amount repayable in one year or less, or on demand
- Amount repayable after one year

| | 30 June 2015 IDR Million | 31 Dec 2014 IDR Million |
|-------------------------------|------------------------------------|-----------------------------------|
| Amount due within one year | | |
| Secured | 120,000 | 188,523 |
| Unsecured | 2,103,311 | 400,436 |
| Total | 2,223,311 | 588,959 |
| Amount due more than one year | | |
| Secured | 69,357 | 139,769 |
| Unsecured | 3,516,563 | 3,551,370 |
| Total | 3,585,920 | 3,691,139 |

Details of any collateral

The unsecured borrowings contain negative pledge clauses.

Secured borrowings are collateralised by the Group's assets (including land use rights, trade receivables, and property, plant and equipment), and insurance claims.

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

| CASH FLOW | 2nd Quarter | | 1st Half | |
|--|------------------|------------------|--------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | IDR million | IDR million | IDR million | IDR million |
| Cash flows from operating activities | | | | |
| Cash receipts from customers | 1,571,350 | 1,510,443 | 2,818,410 | 2,900,198 |
| Cash payments to suppliers, employees and for other operating expenses | (1,041,884) | (912,381) | (2,071,950) | (1,904,409) |
| Corporate income tax paid | (185,220) | (65,994) | (246,268) | (127,084) |
| Net cash flows generated from operating activities | 344,246 | 532,068 | 500,192 | 868,705 |
| Cash flows from investing activities | | | | |
| (Increase)/decrease in plasma receivables | (294,646) | 33,340 | (510,745) | 74,414 |
| Investment in biological assets | (489,895) | (101,096) | (581,176) | (383,794) |
| Investment in property, plant and equipment | (181,573) | (151,106) | (350,389) | (259,891) |
| Investment in land use rights | (7,061) | (9,274) | (11,485) | (17,082) |
| Interest received | 34,704 | 20,050 | 67,100 | 25,920 |
| Net cash flows used in investing activities | (938,471) | (208,086) | (1,386,695) | (560,433) |
| Cash flows from financing activities | | | | |
| Proceeds from loans and borrowings | - | - | 2,070,920 | - |
| Repayment of loan and borrowings | (76,737) | (134,407) | (590,557) | (261,449) |
| Proceeds from issuance of Islamic medium term notes | - | - | - | 1,726,665 |
| Increase in amount due from related companies | (5,454) | (58,680) | (23,948) | (85,016) |
| Repayment of obligation under finance leases | - | (53) | - | (193) |
| Payment of dividend | (281,497) | (247,064) | (281,497) | (247,064) |
| Contribution from non-controlling interests | 425 | - | 425 | - |
| Interest paid | (18,927) | (32,840) | (89,316) | (69,702) |
| Net cash flows (used in)/generated from financing activities | (382,190) | (473,044) | 1,086,027 | 1,063,241 |
| Net (decrease)/increase in cash and cash equivalents | (976,415) | (149,062) | 199,524 | 1,371,513 |
| Effect of exchange rate changes on cash and cash equivalents | 97,663 | (48,522) | (4,742) | 20,663 |
| Cash and cash equivalents at beginning of period | 1,384,392 | 2,071,878 | 310,858 | 482,118 |
| Cash and cash equivalents at end of period | 505,640 | 1,874,294 | 505,640 | 1,874,294 |

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

| Cash Flows from Operating Activities: | 2nd Quarter | | 1st Half | |
|---|----------------|----------------|----------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | IDR million | IDR million | IDR million | IDR million |
| Profit before income tax | 305,770 | 443,990 | 579,355 | 895,733 |
| Depreciation and amortisation | 58,264 | 41,972 | 92,674 | 79,867 |
| Finance cost | 36,081 | 36,483 | 77,005 | 51,432 |
| Finance income | (34,704) | (20,050) | (67,100) | (25,920) |
| Post employment benefits | (110) | - | (110) | - |
| Unrealized foreign exchange (gain) / loss | (23,197) | 109,052 | 183,344 | 64,637 |
| Gain on divestment of business in a subsidiary | (5,749) | - | (5,749) | - |
| Gain on disposal of property, plant and equipment | (168) | - | (168) | - |
| Share of loss of associate companies | 3,166 | 8,552 | 46,173 | 9,837 |
| Operating cash flows before working capital changes | 339,353 | 619,999 | 905,424 | 1,075,586 |
| Decrease/(increase) in: | | | | |
| - Trade and other receivables | 37,485 | 41,064 | 15,894 | (4,610) |
| - Inventories | 93,521 | (131,134) | 3,428 | (176,816) |
| - Prepaid taxes | (71,878) | 5,805 | (95,114) | 10,188 |
| - Prepayments and advances | 14,344 | (16,948) | (81,037) | (58,451) |
| - Deferred charges | 223 | (272) | 492 | (2,898) |
| - Tax refundable | - | - | - | 19,294 |
| (Decrease)/increase in: | | | | |
| - Trade and other payables | 107,183 | 32,076 | 101,433 | 40,809 |
| - Accrued operating expenses | 42,888 | 8,613 | 32,957 | 13,364 |
| - Tax payable | (13,455) | 22,434 | (46,241) | 705 |
| - Sales advances | (20,198) | 16,425 | (90,776) | 78,618 |
| Cash flows generated from operations | 529,466 | 598,062 | 746,460 | 995,789 |
| Corporate income tax paid | (185,220) | (65,994) | (246,268) | (127,084) |
| Net cash flows generated from operating activities | 344,246 | 532,068 | 500,192 | 868,705 |

1(d)(i) A statement (for the issuer and group) showing either (i) all 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.

| Group | ----- Attributable to owners of the Company ----- | | | | | Non-controlling interests | Total equity |
|--|---|-------------------|------------------|--------------------------------------|----------------------------------|---------------------------|------------------|
| | Share capital | Retained earnings | Other reserves | Foreign currency translation reserve | Total share capital and reserves | | |
| | IDR million | IDR million | IDR million | IDR million | IDR million | | |
| Opening balance at 1 January 2015 | 1,807,045 | 4,889,062 | (240,163) | 27,292 | 6,483,236 | 625,490 | 7,108,726 |
| Profit for the period | - | 398,662 | - | - | 398,662 | 54,035 | 452,697 |
| Other comprehensive income: | | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | |
| Foreign currency translation | - | - | - | (151,498) | (151,498) | - | (151,498) |
| Fair value reserve on derivative | - | - | 8,662 | - | 8,662 | - | 8,662 |
| Total comprehensive income for the period | - | 398,662 | 8,662 | (151,498) | 255,826 | 54,035 | 309,861 |
| Contribution from non-controlling interests | - | - | - | - | - | 425 | 425 |
| Dividends on ordinary shares | - | (261,097) | - | - | (261,097) | - | (261,097) |
| Closing balance at 30 June 2015 | 1,807,045 | 5,026,627 | (231,501) | (124,206) | 6,477,965 | 679,950 | 7,157,915 |
| Opening balance at 1 January 2014 | 1,807,045 | 3,955,971 | (184,938) | 51,685 | 5,629,763 | 510,827 | 6,140,590 |
| Profit for the period | - | 601,170 | - | - | 601,170 | 97,867 | 699,037 |
| Other comprehensive income: | | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | |
| Foreign currency translation | - | - | - | 34,963 | 34,963 | - | 34,963 |
| Fair value reserve on derivative | - | - | 8,055 | - | 8,055 | 1,312 | 9,367 |
| Total comprehensive income for the period | - | 601,170 | 8,055 | 34,963 | 644,188 | 99,179 | 743,367 |
| Distribution to owners: | | | | | | | |
| Contribution from non-controlling interests | - | - | - | - | - | 500 | 500 |
| Dividends on ordinary shares | - | (211,311) | - | - | (211,311) | (35,753) | (247,064) |
| Closing balance at 30 June 2014 | 1,807,045 | 4,345,830 | (176,883) | 86,648 | 6,062,640 | 574,753 | 6,637,393 |

| Company | ----- Attributable to owners of the Company ----- | | | | |
|--|---|-------------------|-----------------|---------------------------------------|----------------------------------|
| | Share capital | Retained earnings | Other reserves | Foreign currency translation reserves | Total share capital and reserves |
| | IDR million | IDR million | IDR million | IDR million | IDR million |
| Opening balance at 1 January 2015 | 1,807,045 | 298,376 | (55,225) | 555,270 | 2,605,466 |
| Profit for the period | - | 11,001 | - | - | 11,001 |
| Other comprehensive income: | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Foreign currency translation | - | - | - | 154,027 | 154,027 |
| Fair value reserve on derivative | - | - | 8,662 | - | 8,662 |
| Total comprehensive income for the period | - | 11,001 | 8,662 | 154,027 | 173,690 |
| Distribution to owners: | | | | | |
| Dividends on ordinary shares | - | (261,097) | - | - | (261,097) |
| Closing balance at 30 June 2015 | 1,807,045 | 48,280 | (46,563) | 709,297 | 2,518,059 |
| Opening balance at 1 January 2014 | 1,807,045 | 63,120 | - | 506,460 | 2,376,625 |
| Profit for the period | - | 223,321 | - | - | 223,321 |
| Other comprehensive income: | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Foreign currency translation | - | - | - | (34,008) | (34,008) |
| Fair value reserve on derivative | - | - | 9,367 | - | 9,367 |
| Total comprehensive income for the period | - | 223,321 | 9,367 | (34,008) | 198,680 |
| Distribution to owners: | | | | | |
| Dividends on ordinary shares | - | (211,311) | - | - | (211,311) |
| Closing balance at 30 June 2014 | 1,807,045 | 75,130 | 9,367 | 472,452 | 2,363,994 |

1(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 issues of equity securities, issue of shares for cash or as 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the Company's share capital since the end of the financial year ended 31 December 2014.

There are no treasury shares and the Company does not have shares that may be issued on conversion of any outstanding convertibles as at 30 June 2015 and 31 December 2014.

1(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.

The Company's total number of issued shares (the Company did not hold any treasury shares) as at 30 June 2015 and 31 December 2014 were 1,757,531,844 shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements presented above have not been audited or reviewed by the Company's 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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2014 except for the new and revised standards that are effective for annual periods beginning as of 1 January 2015. The adoption of these new standards has no significant impact to the Group's consolidated financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons 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 financial year, after deducting any provision for preference dividends; (a) based on weighted average number of shares and (b) on fully diluted basis (detailing any adjustments made to the earnings)**

| Earning per share for the period (weighted average number of shares) | 2nd Quarter | | 1st Half | |
|--|---------------|---------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| (a) based on weighted average number of share (in IDR) | 124 | 167 | 227 | 342 |
| (b) based on a fully diluted basis | - | - | - | - |
| Weighted number of shares | 1,757,531,844 | 1,757,531,844 | 1,757,531,844 | 1,757,531,844 |

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) Current financial period reported on; and
(b) Immediately preceding financial year.

| Net asset value per share | Group | | Company | |
|---|---------------|---------------|---------------|---------------|
| | 30 Jun 2015 | FY2014 | 30 Jun 2015 | FY2014 |
| Net asset value per ordinary share (in IDR) | 4,073 | 4,045 | 1,433 | 1,482 |
| Number of issued shares | 1,757,531,844 | 1,757,531,844 | 1,757,531,844 | 1,757,531,844 |

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 the following:

(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 INCOME STATEMENT

Overview

During the second quarter of 2015 ("2Q2015") and first half of the year ("1H2015"), the Group recorded a decrease in net profit after tax by 30.2% to IDR 241 billion and by 35.2% to IDR 453 billion, respectively. The decrease was mainly due to the lower selling prices for both Crude Palm Oil ("CPO") and Palm Kernel ("PK"), higher cost of sales, selling expenses, finance costs, and share of loss of associate companies. The Group has implemented its costs containment programme in order to improve its financial results for the second half of the year.

Revenue

Below is the breakdown of revenue during 2Q2015 and 1H2015 compared to the previous corresponding period.

| Revenue | 2nd Quarter | | | 1st Half | | |
|-----------------------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| | IDR million | IDR million | (%) | IDR million | IDR million | (%) |
| CPO | 1,414,429 | 1,308,356 | 8.1% | 2,603,257 | 2,521,156 | 3.3% |
| PK | 166,539 | 155,573 | 7.0% | 311,632 | 300,097 | 3.8% |
| Glycerin | 288 | - | n.a. | 288 | - | n.a. |
| Total | 1,581,256 | 1,463,929 | 8.0% | 2,915,177 | 2,821,253 | 3.3% |
| Volume | 2015 | 2014 | Change | 2015 | 2014 | Change |
| | mt | mt | (%) | mt | mt | (%) |
| CPO | 188,086 | 150,133 | 25.3% | 341,026 | 288,165 | 18.3% |
| PK | 35,372 | 27,712 | 27.6% | 65,038 | 53,560 | 21.4% |
| Glycerin | 121 | - | n.a. | 121 | - | n.a. |
| Average sales prices | 2015 | 2014 | Change | 2015 | 2014 | Change |
| | IDR / kg | IDR / kg | (%) | IDR / kg | IDR / kg | (%) |
| CPO | 7,520 | 8,715 | -13.7% | 7,634 | 8,749 | -12.7% |
| PK | 4,708 | 5,614 | -16.1% | 4,792 | 5,603 | -14.5% |
| Glycerin | 2,375 | - | n.a. | 2,375 | - | n.a. |

Revenue increased by 8.0% in 2Q2015 and by 3.3% in 1H2015. This was mainly attributable to increase in sales volume for both CPO and PK. The increase was however offset by the decrease in selling prices during the period, as explained above.

The initial sale of Glycerin started in 2Q2015. Despite the small amount of sales and considering its early stage of production, the sales of Glycerin had contributed to the Group's profitability.

Cost of Sales

Cost of sales comprised mainly costs in relation to plantation maintenance, harvesting, plantation overhead, depreciation and amortisation, processing, and fresh fruit bunches (“FFB”) purchased externally (including plasma and third parties).

The Group’s cost of sales increased by 44.1% to IDR 1,178 billion in 2Q2015 and by 24.4% to IDR 2,047 billion in 1H2015 compared to the previous corresponding period was mainly attributable to higher purchase of external FFB, an earlier application of fertiliser compared to last year, and higher production.

Gross Profit

Gross profit decreased by 37.6% to IDR 404 billion for 2Q2015 and 26.2% to IDR 869 billion for 1H2015 due to the decrease in selling prices for both CPO and PK and higher cost of sales.

Interest Income

Interest income increased by 73.1% to IDR 35 billion in 2Q2015 and by 158.9% to IDR 67 billion in 1H2015, mainly due to a higher interest income earned from advances given to the plasma farmers.

Selling Expenses

Selling expenses increased by 22.9% to IDR 54 billion in 2Q2015 and 21.8% to IDR 93 billion in 1H2015. The increase in selling expenses was mainly due to higher volume of CIF (cost, insurance and freight) sales for both CPO and PK which have higher average freight costs. Composition of CIF sales to total sales volume for both CPO and PK during 1H2015 compared to previous corresponding period increased from 13.6% to 39.2% for CPO – CIF, and from 68.5% to 79.4% for PK – CIF sales.

General and Administration Expenses

General and administrative (“G&A expenses”) slightly increased by 0.8% to IDR 104 billion in 1H2015 compared to 1H2014 mainly due to the costs containment programme implemented by the Group. The increase in G&A expenses by 22.9% during 2Q2015 was mainly due to increase in salaries & employee benefits as a result of an increase in number of managerial level employees, increase in insurance premium rate (which is in accordance with the Indonesia Financial Services Authority Circular Letter) and higher professional fees expense compared to the previous corresponding period.

Finance Cost

In 1H2015, finance cost increased by 49.7% to IDR 77 billion compared to 1H2014 which was mainly due to higher borrowings from Malaysian Ringgit Islamic Medium Term Notes (“IMTN”) and bank loans as well as lower capitalised finance cost as a result of a higher portion of mature plantation to total planted area compared to the previous corresponding period.

However the net position of finance cost decreased when offset against the higher interest income, as explained above.

Foreign Exchange Loss

The Group recorded a net foreign exchange loss of IDR 617 million and IDR 32 billion in 2Q2015 and 1H2015, respectively. The losses were mainly due to translation losses on USD denominated borrowings in the Group’s IDR financial statements; a result of the depreciation of IDR to USD during the period.

Other expenses

Other expenses mainly consist of withholding tax expense on interest received by the Company from its subsidiaries.

Income Tax Expense

In line with the decrease in profit before tax, the Group recorded decrease in income tax expense to IDR 65 billion in 2Q2015 compared to IDR 99 billion in 2Q2014, and decrease to IDR 127 billion in 1H2015 compared to IDR 197 billion in 1H2014.

Share of loss of associate companies

Share of loss of associate companies amounting to IDR 46 billion in 1H2015 was due to share of losses from the Group's associate companies namely, PT Sawit Nabati Agro and PT Berkat Agro Sawitindo Group of companies ("SNA Group"), due to low yield of their newly mature plantation and unrealised foreign exchange loss on their USD borrowings.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

As at 30 June 2015, the Group's total non-current assets increased from IDR 12,459 billion to IDR 13,458 billion, mainly due to:

- a) Biological assets which amounted to IDR 7,894 billion as at 30 June 2015 comprised of maintenance of immature plantation, seeds procurement, and capitalisation of financing related costs.
- b) As at 30 June 2015, plasma receivables increased by IDR 437 billion to IDR 1,222 billion. This increase was mainly due to increase in advances given to the plasma farmers with respect to maintenance cost of immature plantation and the development/acquisition of new plasma plantation.
- c) Property, plant and equipment increased by IDR 181 billion to IDR 3,046 billion as at 30 June 2015 compared to 31 December 2014. This was mainly attributable to the construction of palm oil mills, purchase of machineries, vehicles and heavy equipment, and construction of infrastructure facilities.
- d) Loan to associate companies (SNA Group) amounted to IDR 302 billion as at 30 June 2015 was denominated in USD and is repayable at the end of the fifth anniversary from 20 March 2012.

The increases in non-current assets were partially offset against the following:

- e) Investment in associate companies decreased to IDR 43 billion and movement in the account was mainly due to share of loss of the associate companies during the period. This investment represents the Group's 28% ownership in the SNA Group.

Current Assets

As at 30 June 2015 the Group's total current assets increased from IDR 1,344 billion to IDR 2,119 billion. Save for the increase in cash and cash equivalents which was explained in the cash flow section below, the net increase in the current assets was mainly due to:

- a) Trade and other receivables increased by IDR 420 billion to IDR 560 billion which was mainly attributable to receivables from the divestment of business in a subsidiary and increase in sales volume of CPO and PK under CIF term.
- b) Prepayment and advances increased by IDR 81 billion to IDR 162 billion as at 30 June 2015 mainly due to advances for construction of new mills, procurement of seeds, and purchase of heavy equipment.
- c) Prepaid taxes increased by IDR 95 billion to IDR 246 billion as at 30 June 2015 mainly due to input VAT for purchases of machineries, equipment, and spare parts related to the construction and extension of new mills.

Current Liabilities

Increase in current liabilities by IDR 1,492 billion to IDR 3,414 billion as at 30 June 2015 was mainly due to new RCF (revolving credit facilities) bank loan amounting to USD 160 million obtained during the period. The RCF was partially drawn down to refinance previous syndicated bank loans. Despite the increase in current liabilities, the Group's net gearing remains stable.

Non-Current Liabilities

As at 30 June 2015, the Group's total non-current liabilities increased from IDR 4,772 billion to IDR 5,005 billion. This was mainly due to increase in derivative financial liabilities to IDR 682 billion as a result of mark-to-market of cross currency swap of IMTN as at 30 June 2015.

REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net decrease in cash and cash equivalents of IDR 976 billion in 2Q2015 and a net increase in cash and cash equivalents of IDR 200 billion in 1H2015, bringing the cash and bank balances to IDR 506 billion as at 30 June 2015, which was mainly attributable to the following:

- In 2Q2015, the Group generated cash of IDR 344 billion from its operating activities compared to IDR 532 billion in 2Q2014, and generated cash of IDR 500 billion in 1H2015 compared to IDR 869 billion in 1H2014. The decrease was mainly due to lower sales proceeds, higher expenses and corporate income tax installments paid.
- Net cash used in investing activities was IDR 938 billion in 2Q2015 compared to IDR 208 billion in 2Q2014, and IDR 1,387 billion in 1H2015 compared to IDR 560 billion in 1H2014. The increase in net cash used was mainly due to increase in advances to plasma plantation, acquisitions of property, plant and equipment (which were mainly related to construction of new CPO mills and infrastructures), and investment in biological assets.
- In 2Q2015, the Group reported net cash used in financing activities of IDR 382 billion compared to IDR 473 billion in 2Q2014. The decrease was mainly due to lower bank loan repayment/refinancing. Meanwhile, the Group reported net cash generated from financing activities in 1H2015 of IDR 1,086 billion compared to IDR 1,063 billion in 1H2014 mainly due to proceeds from a new RCF loan amounting to USD 160 million (or equals to IDR 2,071 billion).

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.

The second half of 2015 will continue to be challenging for the Group due to the lower CPO prices, lower demand and rising costs. However, in the longer term, the Group believes that the palm oil fundamentals is strong as palm oil is still the most consumed edible oil in the world. Both the Indonesian and Malaysian Government's biodiesel mandate to increase the blending rate of palm oil could provide support to demand.

The Group will continue to focus on productivity improvement, cost containment, and capacity building. The Group has launched its new Sustainability Policy which will guide the Group in creating value to its customers, shareholders, communities, employees and other stakeholders while there will be no new planting on forest and peatland. It will provide an added competitive advantage for the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Not applicable.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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 interested person transactions ("IPT") for 1H2015:

| Name of interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000) |
|-----------------------------|--|---|
| | in IDR million | in IDR million |
| Mr Gunardi Hariyanto Lim | 1,200 ⁽⁴⁾ | - |
| IOI Corporation Berhad | - | 30,666 ⁽¹⁾ |
| PT Gunajaya Harapan Lestari | 116,118 ⁽²⁾ | - |
| PT Lima Srikandi Jaya | 3,600 ⁽³⁾ | - |
| TOTAL | 120,918 | 30,666 |

Notes:

*For illustrative purpose the aggregate value of all interested person transactions, conducted under the Shareholders' Mandate during the financial year under review using the closing rate IDR 9,895: SGD 1.00

- (1) In respect of transactions conducted pursuant to the Shareholders' Mandate for Transactions with IOI Corporation and its Associates (as described in the Prospectus).
- (2) In respect of the loan extended by the Group to PT Gunajaya Harapan Lestari for the repayment by PT Gunajaya Harapan Lestari of its then outstanding bank loan.
- (3) In respect of the rental agreement of vessels transactions involving PT Lima Srikandi Jaya which is one of the subsidiaries of Harita Group. Harita Group is owned by Lim family and also one of the Company's controlling shareholders.
- (4) In respect of the aggregate rent paid by the Group to Mr. Gunardi Hariyanto Lim for office space in Indonesia pursuant to the lease agreement between Mr. Gunardi Hariyanto Lim and PT Bumitama Gunajaya Agro.

14. Negative Assurance Confirmation Statement

We, Lim Gunawan Hariyanto (Executive Chairman and CEO) and Tan Boon Hoo (Lead Independent Director) of Bumitama Agri Ltd. ("the Company"), confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render these unaudited interim financial results for the second quarter and half year ended 30 June 2015 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Lim Gunawan Hariyanto
Executive Chairman and CEO
13 August 2015

Tan Boon Hoo
Lead Independent Director