



BUMITAMA AGRI LTD.

Unaudited Financial Statements for the Third Quarter ("3Q") and Nine Months ("9M") Ended 30 September 2016

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

	Group					
	3rd Quarter			9 Months		
	2016	2015 Restated	Change	2016	2015 Restated	Change
IDR million	IDR million	(%)	IDR million	IDR million	(%)	
Revenue	1,494,687	1,178,887	26.8%	4,359,596	4,094,064	6.5%
Cost of sales	(1,069,799)	(823,133)	30.0%	(3,277,902)	(2,976,992)	10.1%
Gross profit	424,888	355,754	19.4%	1,081,694	1,117,072	-3.2%
Interest Income	34,644	37,719	-8.2%	119,655	104,819	14.2%
Selling expense	(50,842)	(46,753)	8.7%	(128,289)	(140,212)	-8.5%
General and administrative expense	(34,175)	(45,003)	-24.1%	(145,601)	(149,306)	-2.5%
Finance cost	(39,128)	(34,354)	13.9%	(123,944)	(111,359)	11.3%
Foreign exchange gain / (loss)	25,598	(19,493)	n.m.	71,216	(51,747)	n.m.
Other expenses	(51,497)	(9,939)	418.1%	(63,246)	(23,156)	173.1%
Other income	2,616	2,433	7.5%	11,358	12,523	-9.3%
Share of gain / (loss) of associate companies	1,199	(6,587)	n.m.	(14,891)	(52,760)	-71.8%
Profit before income tax	313,303	233,777	34.0%	807,952	705,874	14.5%
Income tax expense	(75,599)	(52,373)	44.3%	(183,239)	(152,217)	20.4%
Profit for the period	237,704	181,404	31.0%	624,713	553,657	12.8%
Attributable to:						
Owners of the Company	206,423	159,779	29.2%	543,508	487,599	11.5%
Non-controlling interests	31,281	21,625	44.7%	81,205	66,058	22.9%
	237,704	181,404	31.0%	624,713	553,657	12.8%

n.m. – not meaningful

Additional Information

	Group					
	3rd Quarter			9 Months		
	2016	2015 Restated	Change	2016	2015 Restated	Change
IDR million	IDR million	(%)	IDR million	IDR million	(%)	
Profit before income tax	313,303	233,777	34.0%	807,952	705,874	14.5%
Depreciation and amortisation	128,991	104,227	23.8%	352,180	304,159	15.8%
Foreign exchange loss / (gain)	(25,598)	19,493	n.m.	(71,216)	51,747	n.m.
Finance cost	39,128	34,354	13.9%	123,944	111,359	11.3%
Interest income	(34,644)	(37,719)	-8.2%	(119,655)	(104,819)	14.2%
EBITDA	421,180	354,132	18.9%	1,093,205	1,068,320	2.3%

n.m. – not meaningful

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					
	3rd Quarter			9 Months		
	2016	2015 Restated	Change	2016	2015 Restated	Change
Statement of comprehensive income:	IDR million	IDR million	(%)	IDR million	IDR million	(%)
Profit for the period	237,704	181,404	31.0%	624,713	553,657	12.8%
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation	52,551	(272,986)	n.m.	248,797	(424,484)	n.m.
Item that will not be reclassified subsequently to profit or loss:						
Fair value reserve on derivative	(40,199)	(60,191)	-33.2%	28,278	(51,529)	n.m.
Other comprehensive income for the period, net of tax	12,352	(333,177)	n.m.	277,075	(476,013)	n.m.
Total comprehensive income for the period	250,056	(151,773)	n.m.	901,788	77,644	1061.4%
Attributable to:						
Owners of the Company	218,775	(173,398)	n.m.	820,583	11,586	6982.5%
Non-controlling interests	31,281	21,625	44.7%	81,205	66,058	22.9%
	250,056	(151,773)	n.m.	901,788	77,644	1061.4%

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-Sep-2016	31-Dec-2015 Restated	1-Jan-2015 Restated	30-Sep-2016	31-Dec-2015
	IDR million	IDR million	IDR million	IDR million	IDR million
ASSETS					
Non-current assets					
Plasma receivables	911,281	713,697	245,089	-	-
Property, plant and equipment	3,325,336	3,244,388	2,865,809	94	140
Bearer plants	5,715,739	5,251,488	4,830,251	-	-
Land use rights	763,372	615,560	486,160	-	-
Investment in subsidiaries	-	-	-	826,518	675,463
Investment in associate companies	8,132	24,043	84,250	137,457	145,886
Intangible assets	175,349	173,301	171,276	-	-
Deferred tax assets	1,121,570	1,025,670	847,383	-	-
Deferred charges/other receivable	7,531	12,788	10,263	7,531	12,788
Due from subsidiaries	-	-	-	6,541,386	5,922,757
Loan to an associate company	65,846	327,686	282,167	65,846	327,686
Total Non-current assets	12,094,156	11,388,621	9,822,647	7,578,832	7,084,720
Current assets					
Biological assets	387,972	233,308	324,535	-	-
Inventories	461,352	650,842	526,801	-	-
Deferred charges	5,948	8,101	8,326	122	61
Trade and other receivables	311,993	598,598	139,576	-	-
Due from related companies	47,316	158,977	126,270	-	-
Due from subsidiaries	-	-	-	1,514,701	2,357,835
Plasma receivables	469,192	426,289	539,573	-	-
Prepayments and advances	12,580	80,081	81,099	203	99
Prepaid taxes	495,119	301,288	151,292	62	12
Cash and short-term deposits	354,454	598,797	310,858	8,577	22,603
Total Current assets	2,545,926	3,056,281	2,208,330	1,523,665	2,554,110
Total Assets	14,640,082	14,444,902	12,030,977	9,102,497	9,638,830
Current liabilities					
Loans and borrowings	1,200,881	1,983,667	588,959	1,169,820	1,861,201
Trade and other payables	611,561	935,430	772,622	12	13
Accrued operating expenses	118,098	144,873	154,377	15,152	55,202
Dividend payables	-	43,732	20,400	-	-
Sales advances	67,318	62,119	165,237	-	-
Income taxes payable	315,570	106,334	221,107	12,865	7,679
Total Current liabilities	2,313,428	3,276,155	1,922,702	1,197,849	1,924,095
Non-current liabilities					
Deferred tax liabilities	704,516	780,080	690,933	-	-
Loans and borrowings	968,616	343,933	139,769	968,616	343,933
Islamic medium term notes	3,131,645	3,202,894	3,551,370	3,131,645	3,202,894
Post employment benefits	25,224	25,224	12,369	-	-
Derivative financial liabilities	923,367	1,126,928	377,480	923,367	1,126,928
Total Non-current liabilities	5,753,368	5,479,059	4,771,921	5,023,628	4,673,755
Total Liabilities	8,066,796	8,755,214	6,694,623	6,221,477	6,597,850
Net Assets	6,573,286	5,689,688	5,336,354	2,881,020	3,040,980
Equity attributable to owners of the Company					
Share capital	1,807,045	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	(17,946)	(17,946)	-	(17,946)	(17,946)
Other reserves	(189,195)	(217,473)	(240,163)	(4,257)	(32,535)
Retained earnings	4,266,210	3,809,290	3,287,685	313,373	326,096
Foreign currency translation reserve	97,054	(151,743)	27,292	782,805	958,320
	5,963,168	5,229,173	4,881,859	2,881,020	3,040,980
Non-controlling interests	610,118	460,515	454,495	-	-
Total Equity	6,573,286	5,689,688	5,336,354	2,881,020	3,040,980

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-Sep-2016 IDR Million	31-Dec-2015 IDR Million
Amount due within one year		
Secured	35,386	139,769
Unsecured	1,165,495	1,843,898
Total	1,200,881	1,983,667
Amount due more than one year		
Secured	-	-
Unsecured	4,100,261	3,546,827
Total	4,100,261	3,546,827

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	3rd Quarter		9 Months	
	2016	2015 Restated	2016	2015 Restated
	IDR million	IDR million	IDR million	IDR million
Cash flows from operating activities				
Cash receipts from customers	1,425,967	1,207,820	4,651,399	4,026,230
Cash payments to suppliers, employees and for other operating expenses	(1,294,665)	(742,916)	(3,826,819)	(2,814,866)
Corporate income tax paid	(51,346)	(64,612)	(112,591)	(285,680)
Net cash flows generated from operating activities	79,956	400,292	711,989	925,684
Cash flows from investing activities				
decrease /(Increase) in plasma receivables	22,740	(7,852)	(191,308)	(518,597)
Investment in intangible assets	(3,312)	(3,950)	(3,622)	(3,950)
Investment in bearer plants	(25,348)	(196,378)	(228,392)	(777,554)
Investment in property, plant and equipment	(109,124)	(92,319)	(316,238)	(442,708)
Investment in land use rights	(33,119)	(21,794)	(124,388)	(33,279)
Receipt of loan repayment from associate companies	262,700	-	262,700	-
Acquisition of subsidiary	(11,750)	-	(85,109)	-
Interest received	32,664	37,719	108,607	104,819
Net cash flows generated from / (used in) investing activities	135,451	(284,574)	(577,750)	(1,671,269)
Cash flows from financing activities				
Proceeds from loans and borrowings	65,860	-	132,455	2,070,920
Repayment of loan and borrowings	(100,720)	(24,148)	(170,720)	(614,705)
Decrease / (increase) in amount due from related companies	(20,854)	(59,603)	(97,929)	(83,551)
Payment of dividend	-	-	(112,112)	(281,497)
Tax on dividend paid	-	-	-	(25,200)
Contribution from non-controlling interests	42,757	75	42,857	500
Buy-back of ordinary shares	-	(5,736)	-	(5,736)
Interest paid	(79,758)	(88,757)	(168,642)	(178,073)
Net cash flows (used in) / generated from financing activities	(92,715)	(178,169)	(374,091)	882,658
Net (decrease)/increase in cash and cash equivalents	122,692	(62,451)	(239,852)	137,073
Effect of exchange rate changes on cash and cash equivalents	(3,308)	7,052	(4,491)	2,310
Cash and cash equivalents at beginning of period	235,070	505,640	598,797	310,858
Cash and cash equivalents at end of period	354,454	450,241	354,454	450,241

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:	3rd Quarter		9 Months	
	2016	2015 Restated	2016	2015 Restated
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	313,303	233,777	807,952	705,874
Depreciation and amortisation	128,991	104,227	352,180	304,159
Finance cost	39,128	34,354	123,944	111,359
Finance income	(34,644)	(37,719)	(119,655)	(104,819)
Post employment benefits	-	-	-	(110)
Unrealized foreign exchange (gain)/loss - net	(56,039)	168,126	(87,596)	351,470
Gain on divestment of business in a subsidiary	-	-	-	(5,749)
Gain on disposal of property, plant and equipment	(70)	-	(70)	(168)
Share of loss of associate companies	(1,198)	6,587	14,891	52,760
Operating cash flows before working capital changes	389,471	509,352	1,091,646	1,414,776
Decrease/(increase) in:				
- Trade and other receivables	(111,307)	54,311	313,468	70,205
- Inventories	(40,181)	(126,417)	193,563	(122,989)
- Prepaid taxes	(48,712)	(23,211)	(161,173)	(118,325)
- Prepayments and advances	3,616	13,471	67,751	(67,566)
- Deferred charges	649	(3,616)	2,150	(3,124)
- Increase/(decrease) in goodwill	-	(2,434)	-	(2,434)
(Decrease)/increase in:				
- Trade and other payables	(109,547)	(5,443)	(607,966)	95,990
- Accrued operating expenses	(3,140)	(8,976)	(47,547)	23,981
- Tax payable	56,458	13,876	(32,511)	(32,365)
- Sales advances	(6,005)	43,991	5,199	(46,785)
Cash flows generated from operations	131,302	464,904	824,580	1,211,364
Corporate income tax paid	(51,346)	(64,612)	(112,591)	(285,680)
Net cash flows generated from operating activities	79,956	400,292	711,989	925,684

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	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserve	Total share capital and reserves		
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million		
Opening balance at 1 January 2016								
- As previously reported	1,807,045	(17,946)	5,515,407	(217,473)	(151,743)	6,935,290	653,213	7,588,503
- Cumulative effect of adopting FRS 41	-	-	(1,706,117)	-	-	(1,706,117)	(192,698)	(1,898,815)
Opening balance at 1 January 2016 (As restated)	1,807,045	(17,946)	3,809,290	(217,473)	(151,743)	5,229,173	460,515	5,689,688
Profit for the period	-	-	543,508	-	-	543,508	81,205	624,713
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	248,797	248,797	-	248,797
Fair value reserve on derivative	-	-	-	28,278	-	28,278	-	28,278
Total comprehensive income for the period	-	-	543,508	28,278	248,797	820,583	81,205	901,788
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	68,398	68,398
Dividends on ordinary shares	-	-	(86,588)	-	-	(86,588)	-	(86,588)
Closing balance at 30 September 2016	1,807,045	(17,946)	4,266,210	(189,195)	97,054	5,963,168	610,118	6,573,286
Opening balance at 1 January 2015								
- As previously reported	1,807,045	-	4,889,062	(240,163)	27,292	6,483,236	625,490	7,108,726
- Cumulative effect of adopting FRS 41	-	-	(1,601,377)	-	-	(1,601,377)	(170,995)	(1,772,372)
Opening balance at 1 January 2015 (As restated)	1,807,045	-	3,287,685	(240,163)	27,292	4,881,859	454,495	5,336,354
Profit for the period	-	-	487,599	-	-	487,599	66,058	553,657
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	(424,484)	(424,484)	-	(424,484)
Fair value reserve on derivative	-	-	-	(51,529)	-	(51,529)	-	(51,529)
Re-measurement on defined benefit plan	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	487,599	(51,529)	(424,484)	11,586	66,058	77,644
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	625	625
Buy-back of ordinary shares	-	(5,736)	-	-	-	(5,736)	-	(5,736)
Dividends on ordinary shares	-	-	(261,097)	-	-	(261,097)	-	(261,097)
Closing balance at 30 September 2015	1,807,045	(5,736)	3,514,187	(291,692)	(397,192)	4,626,612	521,178	5,147,790

Company	----- Attributable to owners of the Company -----					
	Share capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserves	Total share capital and reserves
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million
Opening balance at 1 January 2016	1,807,045	(17,946)	326,096	(32,535)	958,320	3,040,980
Profit for the period	-	-	73,865	-	-	73,865
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	(175,515)	(175,515)
Item that will not be reclassified subsequently to profit or loss:						
Fair value reserve on derivative	-	-	-	28,278	-	28,278
Total comprehensive income for the period	-	-	73,865	28,278	(175,515)	(73,372)
Distribution to owners:						
Share issuance expense	-	-	-	-	-	-
Dividends on ordinary shares	-	-	(86,588)	-	-	(86,588)
Closing balance at 30 September 2016	1,807,045	(17,946)	313,373	(4,257)	782,805	2,881,020
Opening balance at 1 January 2015	1,807,045	-	298,376	(55,225)	555,270	2,605,466
Profit for the period	-	-	23,420	-	-	23,420
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	334,086	334,086
Item that will not be reclassified subsequently to profit or loss:						
Fair value reserve on derivative	-	-	-	(51,529)	-	(51,529)
Total comprehensive income for the period	-	-	23,420	(51,529)	334,086	305,977
Distribution to owners:						
Dividends on ordinary shares	-	-	(261,097)	-	-	(261,097)
Buy-back of ordinary shares	-	(5,736)	-	-	-	(5,736)
Closing balance at 30 September 2015	1,807,045	(5,736)	60,699	(106,754)	889,356	2,644,610

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.

As of 30 September 2016, the number of issued shares was 1,757,531,844 shares, of which 2,255,300 shares were held by the Company as treasury shares (30 September 2015: 1,757,531,844 issued shares, of which 754,400 were held as treasury shares).

	Company	
	As at	
	30-Sep-2016	30-Sep-2015
Number of shares held as treasury shares	2,255,300	754,400
Number of issued shares excluding treasury shares	1,755,276,544	1,756,777,444
Total number of issued shares	1,757,531,844	1,757,531,844

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 excluding treasury shares as at 30 September 2016 and 31 December 2015 were 1,755,276,544 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.

There were no treasury shares which were sold, transferred, disposed, cancelled or used in the current financial period.

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 2015, except for the new and revised standard that are effective for annual periods beginning on or after 1 January 2016.

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.

Amendments to FRS 41 Agriculture – Bearer Plants

The Group adopted the amendments to FRS 41 with effect from January 2016. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41, instead bearer plants will be measured under FRS 16 – Property, Plant and Equipment at accumulated cost (before maturity) using the cost model (after maturity). However, the agricultural produce growing on bearer plants will remain within the scope of FRS 41 to be measured at fair value less costs to sell.

Based on its initial adoption on 1 January 2016, the Group's total assets decreased by approximately IDR 1.9 trillion with a corresponding decrease in total equity.

The Group has applied these amendments retrospectively; hence the financial statements of corresponding comparative period have been restated accordingly with the following impact:

Consolidated income statement	As previously reported	Restated
	9M2015	9M2015
	IDR million	IDR million
Cost of sales	(2,816,105)	(2,976,992)
Profit before income tax	866,761	705,874
Income tax expense	(192,439)	(152,217)
Profit for the period	674,322	553,657
Profit for the period attributable to:		
Owners of the Company	598,430	487,599
Non-controlling interests	75,892	66,058

Consolidated statement of financial position	As previously reported	Restated
	31-Dec-15	31-Dec-15
	IDR million	IDR million
Biological assets	8,016,549	233,308
Bearer plants	-	5,251,488
Deferred tax assets	392,732	1,025,670
Retained earnings	5,515,407	3,809,290
Equity attributable to owners of the Company	6,935,290	5,229,173
Non-controlling interests	653,213	460,515

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)	3rd Quarter		9 Months	
	2016	2015 Restated	2016	2015 Restated
Based on weighted average number of share (in IDR)	117	91	309	277
Weighted number of shares	1,757,153,644	1,757,282,762	1,757,153,644	1,757,447,904

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-Sep-2016	31 Dec 2015 Restated	30-Sep-2016	31 Dec 2015 Restated
Net asset value per ordinary share (in IDR)	3,397	2,979	1,641	1,732
Number of issued shares *	1,755,276,544	1,755,276,544	1,755,276,544	1,755,276,544

* excluding Treasury Shares

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:
- 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
 - 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 third quarter of the year ("3Q2016") and nine months of the year ("9M2016"), the Group recorded an increase in net profit after tax by 31.0% to IDR 238 billion and by 12.8% to IDR 625 billion, respectively. The increase was mainly due to higher revenue, higher foreign exchange gain, and lower share of loss of associate companies.

Revenue

Revenue increased by 26.8% to IDR 1,495 billion in 3Q2016 and 6.5% to IDR 4,360 billion in 9M2016, compared to the previous corresponding period which is attributable to increase in average selling price.

Sales of biodiesel during the period has improved and contributed approximately 5.1% to the Group's total revenue. This was in line with the improvement of sales volume and price for biodiesel.

Below is the year-on-year comparative of the Group's revenue:

Revenue	3rd Quarter			9 Months		
	2016	2015	Change	2016	2015	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	1,219,742	1,056,370	15.5%	3,589,800	3,659,627	-1.9%
Palm Kernel	189,487	106,395	78.1%	546,654	418,027	30.8%
Biodiesel	85,212	16,122	428.5%	222,564	16,122	1280.5%
Glycerin	246	-	100.0%	578	288	100.7%
Total	1,494,687	1,178,887	26.8%	4,359,596	4,094,064	6.5%
Volume	2016	2015	Change	2016	2015	Change
	mt	mt	(%)	mt	mt	(%)
CPO	155,925	156,601	-0.4%	499,088	497,627	0.3%
Palm Kernel	27,836	29,832	-6.7%	93,519	94,870	-1.4%
Biodiesel	8,773	1,915	358.1%	23,559	1,915	1130.2%
Glycerin	1,162	-	100.0%	2,329	121	1817.0%
Average sales prices	2016	2015	Change	2016	2015	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	7,823	6,746	16.0%	7,193	7,354	-2.2%
Palm Kernel	6,807	3,566	90.9%	5,845	4,406	32.7%
Biodiesel	9,713	8,418	15.4%	9,447	8,418	12.2%
Glycerin	212	-	100.0%	248	2,375	-89.5%

Cost of Sales

The Group's cost of sales comprised of palm oil and biodiesel costs. Palm oil costs mainly consist of costs in relation to plantation maintenance, harvesting, plantation overhead, depreciation and amortisation, milling, and fresh fruit bunches ("FFB") purchased externally (including plasma and third parties). Biodiesel costs mainly consist of processing and feed stock purchase costs.

In 3Q2016, the Group recorded higher palm oil cost of sales compared to the previous corresponding period which was mainly due to higher manuring cost in 3Q2016 compared to 3Q2015.

As a result of internal efficiency programme, the Group managed to maintain lower palm oil cost of sales in 9M2016 compared to 9M2015.

Interest Income

Interest income decreased by 8.2% to IDR 35 billion in 3Q2016 was mainly attributable to lower interest income from loans to associate companies, arising from loan repayment by the associate companies.

In 9M2016, interest income increased by 14.2% to IDR 120 billion mainly due to higher interest income earned from advances given to the plasma farmers.

Selling expenses

The selling expenses mainly comprised of transportation freight and loading expenses. The higher selling expense in 3Q2016 was from additional freight cost of new route arising from prohibition by the local government on usage of one of the loading docks.

However for 9M2016, due to better logistic management as well as decrease in fuel price, this has resulted in lower selling expense compared to previous year.

General and Administrative expenses

General and administrative expenses ("G&A expenses") decreased by 24.1% to IDR 34 billion in 3Q2016 and by 2.5% to IDR 146 billion in 9M2016 compared to each previous corresponding period, mainly due to costs containment programme, *inter alia* office utilities and rent, training, professional fee, service and maintenance, transportation and business travel expenses.

Finance cost

Finance cost increased by 13.9% to IDR 39 billion in 3Q2016 and by 11.3% to IDR 124 billion in 9M2016 was mainly due to higher LIBOR rate for the current period.

Foreign Exchange Gain / (Loss)

The Group recorded net foreign exchange gain of IDR 26 billion and IDR 71 billion in 3Q2016 and 9M2016, respectively, which was mainly due to translation gain on USD denominated borrowings in the Group's IDR financial statements as a result of the appreciation of IDR against USD during the current period.

Other expenses

Other expenses mainly consist of IDR 45 billion tax payment to the tax incentive programme by the Indonesian Ministry of Finance for revaluation of the Group's assets. With this incentive, the Group has potential deferred tax benefit in the future.

Share of gain / (loss) of associate companies

Share of loss of associate companies IDR 15 billion in 9M2016 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").

Lower share of loss during the period was mainly due to improvement in foreign exchange translation as a result of the appreciation of IDR against USD during 3Q2016 combined with better yield and production arising from improvement in infrastructures.

At present, SNA mill and its supply base are not Roundtable on Sustainable Palm Oil ("RSPO") certified. However, they will undergo RSPO certification from year 2018 onward as per their own sustainability programme. The IOI's RSPO certification suspension had been lifted in August 2016.

Income tax expense

The Group recorded an increase in income tax expense to IDR 76 billion in 3Q2016 compared to IDR 52 billion in 3Q2015 and IDR 183 billion in 9M2016 compared to IDR 152 billion in 9M2015, due to higher profit before tax during the period.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

As at 30 September 2016, the Group's total non-current assets increased by IDR 706 billion from IDR 11,389 billion to IDR 12,094 billion, were mainly due to:

- a) Bearer plants increased by IDR 464 billion to IDR 5,716 billion as at 30 September 2016 mainly due to acquisition of subsidiaries during the period.
- b) Plasma receivables increased by IDR 198 billion to IDR 911 billion as at 30 September 2016 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) Land use rights increased by IDR 148 billion to IDR 763 billion as at 30 September 2016 mainly attributable to acquisition of land bank in the current period.
- d) Property, plant and equipment ("PPE") increased by IDR 81 billion to IDR 3,325 billion as at 30 September 2016 mainly attributable to the purchase of machineries, vehicles and heavy equipment, construction of infrastructure, and acquisition of new subsidiaries.

Current Assets

As at 30 September 2016, the Group's total current assets decreased from IDR 3,056 billion to IDR 2,546 billion. Save for the decrease in cash and cash equivalents which was explained in the cash flow section, the net decrease in the current assets was mainly due to:

- a) Trade and other receivables decreased by IDR 287 billion to IDR 312 billion mainly attributable to repayment of other receivables.
- b) Inventory decreased by IDR 189 billion to IDR 461 billion as at 30 September 2016. The decrease was mainly due to decrease in finished goods (CPO and PK) as a result of lower production during the period. The inventory turnover days for both CPO and PK as at 30 September 2016 was 19 days compared to 23 days as at 31 December 2015.
- c) Due from related companies decreased by IDR 112 billion to IDR 47 billion as at 30 September 2016 mainly attributable to reclassification of loans of PT Sukses Manunggal Sawitindo which was acquired by the Group.
- d) Prepayment and advances decreased by IDR 68 billion to IDR 13 billion as at 30 September 2016 mainly due to settlement of advances related to acquisition of PT Sukses Manunggal Sawitindo in current period.
- e) Increase in prepaid taxes mainly attributable to timing difference of corporate income tax installment which will be netted off with income taxes payable by the end of the year.

Above decreases in current assets were partially offset against the following:

- f) Biological assets amounted to IDR 388 billion as at 30 September 2016 comprised of agricultural produce growing on the bearer plants as in accordance with the implementation of new FRS 41 in current year.
- g) Current portion of plasma receivables increased by IDR 43 billion to IDR 469 billion as at 30 September 2016 compared to 31 December 2015. This was mainly attributable to advances given to the plasma farmers which expected to be refinanced to the banks within the next 12 months.

Current Liabilities

Decrease in current liabilities by IDR 963 billion to IDR 2,313 billion as at 30 September 2016 was mainly due to:

- a) Loans and borrowings decreased by IDR 783 billion due to repayment of IDR bank loan during the period as well as due to extension of RCF agreements from some banks with more than 1 year tenure.
- b) Trade and other payables which was mainly comprised of payables related to purchase of fertiliser, chemical, and mill construction projects decreased by IDR 324 billion to IDR 612 billion as at 30 September 2016.

Non-Current Liabilities

As at 30 September 2016, the Group's total non-current liabilities increased from IDR 5,479 billion to IDR 5,753 billion. This was mainly due to reclassification of loans and borrowings as a result of extension of loan agreement with more than 1 year tenure.

The increase in non-current portion of loans and borrowings was partially offset by the decrease in derivative financial liabilities to IDR 923 billion as a result of mark-to-market of cross currency swap for Islamic Medium Term Note ("IMTN") as at 30 September 2016. The impact will be reversed when the IMTN is due.

REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net decrease in cash and cash equivalents of IDR 240 billion as at 30 September 2016, bringing the cash and bank balances to IDR 354 billion, which was mainly attributable to the following:

- In 3Q2016, the Group generated cash of IDR 80 billion and of IDR 712 billion in 9M2016 compared to previous corresponding periods. The decrease was mainly due to higher cash payments to suppliers, employees and for other operating expenses.
- Net cash generated in investing activities of IDR 135 billion in 3Q2016 was mainly receipt of loans repayment from associate company amounted to IDR 263 billion. The decrease in net cash used of IDR 578 billion in 9M2016 was mainly due to slower expansion during the period which resulted in lower cash used for advances to plasma plantation, acquisitions of property, plant & equipment, and bearer plants.
- The Group reported net cash used in financing activities of IDR 93 billion in 3Q2016 and IDR 374 billion in 9M2016 which were mainly due to lower proceeds from bank loans compared to previous corresponding periods.

- 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 Group expects improving palm oil production for the fourth quarter of 2016. However, due to the severe drought encountered from previous year, the Group expects the full year production in 2016 likely to end lower than previous year. The recovery of palm oil prices will continue to be affected by the global vegetable oil supply and demand and climatic conditions.

The Group remains positive on the long term outlook of the palm industry and will continue to focus on yield and productivity improvement as well as cost management.

- 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/recommendeded, 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 9M2016:

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	1,800 ⁽¹⁾	-
IOI Corporation Berhad	-	68,564 ⁽²⁾
PT Sawit Nabati Agro	-	4,642 ⁽³⁾
PT Lima Srikandi Jaya	5,100 ⁽⁴⁾	-
TOTAL	6,900	73,206

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 current period closing rate*

- (1) *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.*
- (2) *In respect of transactions conducted pursuant to the Shareholders' Mandate for Transactions with IOI Corporation and its Associates (as described in the Prospectus).*
- (3) *In respect of transactions conducted pursuant to the Shareholders' Mandate for transaction with Sawit Nabati Agro (SNA) Group (as described in the Prospectus).*
- (4) *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.*

14. Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

15. 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 third quarter and nine months period ended 30 September 2016 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
14 November 2016

Tan Boon Hoo
Lead Independent Director