
THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010

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

	3rd Quarter			Jan ~ Sept		
	2010	(Restated) 2009	Change	2010	(Restated) 2009	Change
	Rp'000	Rp'000	%	Rp'000	Rp'000	%
Revenue	72,730,384	82,619,874	(12)	192,687,735	222,458,501	(13)
Cost of sales	<u>(48,343,570)</u>	<u>(53,257,774)</u>	(9)	<u>(131,346,025)</u>	<u>(144,457,181)</u>	(9)
Gross profit	24,386,814	29,362,100	(17)	61,341,710	78,001,320	(21)
Other income	234,173	7,521,108	(97)	4,291,960	15,432,717	(72)
Distribution expenses	(483,247)	(315,467)	53	(2,322,849)	(2,620,748)	(11)
Administrative expenses	(5,972,516)	(3,824,423)	56	(22,732,693)	(10,880,019)	109
Other expenses	(890,080)	(195,887)	354	(184,881)	(208,613)	(11)
Finance costs	<u>(660,132)</u>	<u>(3,385,470)</u>	(81)	<u>(5,214,907)</u>	<u>(9,937,301)</u>	(48)
Profit before income tax	16,615,012	29,161,961	(43)	35,178,340	69,787,356	(50)
Income tax expense	<u>(5,038,939)</u>	<u>(9,155,981)</u>	(45)	<u>(11,293,787)</u>	<u>(19,594,223)</u>	(42)
Profit after income tax	<u>11,576,073</u>	<u>20,005,980</u>	(42)	<u>23,884,553</u>	<u>50,193,133</u>	(52)
Other comprehensive income, net of tax						
Foreign currency translation differences on consolidation	11,426,452	-	n.m	12,005,298	-	n.m
Total comprehensive income for the year	<u>23,002,525</u>	<u>20,005,980</u>		<u>35,889,851</u>	<u>50,193,133</u>	

	3rd Quarter			Jan ~ Sept		
	2010	(Restated)	Change	2010	(Restated)	Change
		2009			2009	
	Rp'000	Rp'000	%	Rp'000	Rp'000	%
Profit attributable to:						
Owners of the parent	10,921,958	19,021,612	(43)	22,235,288	47,698,749	(53)
Non-controlling interests	654,115	984,368	(34)	1,649,265	2,494,384	(34)
	<u>11,576,073</u>	<u>20,005,980</u>	(42)	<u>23,884,553</u>	<u>50,193,133</u>	(52)
Total comprehensive income attributable to:						
Owners of the parent	22,348,410	19,021,612	17	34,240,586	47,698,749	(28)
Non-controlling interests	654,115	984,368	(34)	1,649,265	2,494,384	(34)
	<u>23,002,525</u>	<u>20,005,980</u>	15	<u>35,889,851</u>	<u>50,193,133</u>	(28)
n.m. : Not meaningful						

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

	GROUP			GROUP		
	3rd Quarter		Change	Jan ~ Sept		Change
	2010	(Restated)		2010	(Restated)	
	Rp'000	Rp'000	%	Rp'000	Rp'000	%
Interest Income	(249,327)	(33,657)	641	(430,858)	(103,195)	318
Interest on borrowings	660,132	3,385,470	(81)	5,214,907	9,937,301	(48)
Depreciate expense	1,816,518	1,608,690	13	5,078,978	4,666,589	9
Foreign exchange (gain) / loss	751,684	(6,212,472)	(112)	(2,221,344)	(15,180,240)	(85)
IPO Expenses	-	-	n.m	6,137,280	-	n.m
Additional information :						
EBITDA (Excluding biological assets gain)	18,842,336	34,122,466	(45)	45,041,366	84,288,052	(47)

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	
	As at		As at	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
	Rp'000	Rp'000	Rp'000	Rp'000
Non-current assets				
Biological assets	624,863,501	606,951,395	-	-
Property, plant and equipment	94,558,679	81,977,043	2,052,342	-
Investment in subsidiary	-	-	389,753,124	389,753,115
Operating use rights	882,084	915,204	-	-
Other non-current assets	1,261,735	-	875,862	-
	<u>721,565,999</u>	<u>689,843,642</u>	<u>392,681,328</u>	<u>389,753,115</u>
Current assets				
Inventories	14,729,209	19,735,290	-	-
Trade and other receivables	8,314,608	12,043,049	148,056,876	16,715,936
Financial assets at fair value through profit or loss	119,700	69,300	-	-
Cash and bank balances	231,925,990	2,468,811	164,634,042	7
	<u>255,089,507</u>	<u>34,316,450</u>	<u>312,690,918</u>	<u>16,715,943</u>
Less:				
Current liabilities				
Trade and other payables	24,181,795	39,474,314	16,307,653	40,116,558
Bank borrowings	39,042,500	43,600,000	-	-
Finance lease payables	1,409,962	2,351,245	-	-
Current income tax payable	1,372,415	17,185,234	-	-
	<u>66,006,672</u>	<u>102,610,793</u>	<u>16,307,653</u>	<u>40,116,558</u>
Net current asset/(liabilities)	<u>189,082,835</u>	<u>(68,294,343)</u>	<u>296,383,265</u>	<u>(23,400,615)</u>
Non-current liabilities				
Bank borrowings	(5,100,441)	(65,700,000)	-	-
Finance lease payables	(190,000)	(834,520)	-	-
Provision for post-employment benefits	(5,419,907)	(5,567,972)	-	-
Deferred tax liabilities	(129,040,827)	(127,600,904)	-	-
	<u>(139,751,175)</u>	<u>(199,703,396)</u>	<u>-</u>	<u>-</u>
Net assets	<u><u>770,897,659</u></u>	<u><u>421,845,903</u></u>	<u><u>689,064,593</u></u>	<u><u>366,352,500</u></u>

	Group		Company	
	As at		As at	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
	Rp'000	Rp'000	Rp'000	Rp'000
Capital and reserve				
Share capital	681,817,047	368,655,142	681,817,047	368,655,142
Foreign currency translation reserves	12,333,075	327,777	18,431,079	327,777
Accumulated profits/(losses)	46,684,655	24,449,367	(11,183,533)	(2,630,419)
Total attributable to owners of the parent	740,834,777	393,432,286	689,064,593	366,352,500
Non-controlling interests	30,062,882	28,413,617	-	-
Total equity	770,897,659	421,845,903	689,064,593	366,352,500

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

In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

	As at 30/09/2010 Rp' 000	As at 31/12/2009 Rp' 000
Amount due within one year		
- Secured	40,452,462	45,951,245
Amount due more than one year		
- Secured	5,290,441	66,534,520

The secured loans are collateralised by corporate and personal guarantees, land and building rights, machine and equipment of the group.

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

	3rd Quarter		Jan ~ Sept	
	2010	(Restated)	2010	(Restated)
	Rp'000	Rp'000	Rp'000	Rp'000
Cash flows from operating activities				
Profit before income tax	16,615,012	29,161,962	35,178,340	69,787,356
Adjustments for:				
Amortisation of operating use rights	11,040	11,040	33,120	33,120
Depreciation of property, plant and equipment	1,805,478	1,597,650	5,045,858	4,633,469
(Gain)/loss from changes in fair value of financial assets at fair value through profit or loss	(18,900)	(8,225)	(50,400)	(11,725)
Interest expense	660,132	3,385,470	5,214,907	9,937,301
Interest income	(249,327)	(33,657)	(430,858)	(103,195)
Inventories written off				
Loss/(Gain) on foreign exchange difference	10,560,414	(4,488,250)	9,001,759	(11,738,250)
Loss/(Gain) on disposal of plant and equipment	-	(162,010)	-	(149,283)
Operating profit before working capital changes	29,383,849	29,463,980	53,992,726	72,388,793
Working capital changes:				
Inventories	8,460,114	(4,059,619)	5,006,081	(7,391,166)
Trade and other receivables	1,101,702	(6,216,785)	3,728,441	(17,982,787)
Trade and other payables	(11,361,874)	(23,556,207)	(15,292,520)	5,791,943
Provision for post-employment benefits	-	142,731	(148,065)	(108,395)
Cash generated from operations	27,583,791	(4,225,900)	47,286,663	52,698,388
Interest paid	(660,132)	(3,385,470)	(5,214,907)	(9,937,301)
Interest received	249,327	33,657	430,858	103,195
Income tax paid	(2,343,379)	(2,692,586)	(25,666,684)	(4,644,659)
Net cash from/(used in) operating activities	24,829,607	(10,270,299)	16,835,930	38,219,623

	3rd Quarter		Jan ~ Sept	
	2010 Rp'000	2009 Rp'000	2010 Rp'000	2009 Rp'000
Cash flows from investing activities				
Acquisition of biological assets	(7,408,925)	(6,203,895)	(19,173,841)	(13,554,252)
Purchase of plant and equipment	(10,416,365)	(2,371,666)	(17,627,493)	(7,532,419)
Purchase of financial assets	-	(54,250)	-	(54,250)
Proceeds from disposal of plant and equipment	-	405,367	-	392,640
Net cash used in investing activities	<u>(17,825,290)</u>	<u>(8,224,444)</u>	<u>(36,801,334)</u>	<u>(20,748,281)</u>
Cash flows from financing activities				
Proceed from issuance of shares	-	-	328,571,429	-
Share issuance expenses	-	-	(15,409,523)	-
Repayments of bank borrowings	(9,003,461)	(1,381,250)	(62,153,520)	(30,112,500)
Proceeds from bank borrowings	-	25,500,000	-	25,500,000
Repayments of obligations under finance leases	(451,468)	(1,149,866)	(1,585,803)	(2,019,053)
Net cash from/(used in) financing activities	<u>(9,454,929)</u>	<u>22,968,884</u>	<u>249,422,583</u>	<u>(6,631,553)</u>
Net change in cash and bank balances	(2,450,612)	4,474,141	229,457,179	10,839,789
Cash and bank balances at beginning of financial year/period	<u>234,376,602</u>	<u>10,313,286</u>	<u>2,468,811</u>	<u>3,947,638</u>
Cash and bank balances at end of financial year/period	<u>231,925,990</u>	<u>14,787,427</u>	<u>231,925,990</u>	<u>14,787,427</u>

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 parent				Non-controlling interests Rp'000	Total equity Rp'000
	Share Capital Rp'000	Translation Reserves Rp'000	Accumulated profits Rp'000	Total Rp'000		
Balance at 1.1.2010	368,655,142	327,777	24,449,367	393,432,286	28,413,617	421,845,903
Share issued	328,571,429	-	-	328,571,429	-	328,571,429
Share issued expenses	(15,409,524)	-	-	(15,409,524)	-	(15,409,524)
Total comprehensive Income	-	12,005,298	22,235,288	34,240,586	1,649,265	35,889,851
Balance at 30.09.2010	<u>681,817,047</u>	<u>12,333,075</u>	<u>46,684,655</u>	<u>740,834,777</u>	<u>30,062,882</u>	<u>770,897,659</u>
Balance at 1.1.2009	6	-	269,216,431	269,216,437	20,686,818	289,903,255
Total comprehensive Income	-	-	47,698,750	47,698,750	2,494,384	50,193,134
Balance at 30.09.2009 (Restated)	<u>6</u>	<u>-</u>	<u>316,915,181</u>	<u>316,915,187</u>	<u>23,181,202</u>	<u>340,096,389</u>

Company	Share Capital Rp'000	Translation Reserves Rp'000	Accumulated losses Rp'000	Total Rp'000
Balance at 1.1.2010	368,655,142	327,777	(2,630,419)	366,352,500
Share issued	328,571,429	-	-	328,571,429
Share issued expenses	(15,409,524)	-	-	(15,409,524)
Total comprehensive Income	-	18,103,302	(8,553,114)	9,550,188
Balance at 30.09.2010	<u>681,817,047</u>	<u>18,431,079</u>	<u>(11,183,533)</u>	<u>689,064,593</u>

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.

Not applicable

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.

Total number of issued shares (the Company has not held any treasury shares):

As at 30 September 2010	As at 31 December 2009
412,968,000	297,110,000

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 has been followed.

These figures have not been audited, or reviewed by the 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 financial statements for the current reporting period compared with the audited combined financial statements for the period ended 31 December 2009, except for the valuation of biological assets and actuarial calculation for post-employment benefits which will be undertaken at the end of 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 changed, as well as the reasons for, and the effect of, the change.

With effect from 1 January 2010, the Group has adopted the practice of determining the fair value of its biological assets and actuarial calculation for post-employment benefits on an annual basis. Accordingly, the comparative figures for 9 months Year 2009 and 3rd quarter Year 2009 have been restated to conform to the current practice and presentation as follows:

	3rd Quarter Year 2009		9 months Year 2009	
	Restated Rp'000	Previously reported Rp'000	Restated Rp'000	Previously reported Rp'000
<u>Consolidated Income Statements</u>				
Other income - gains from changes in fair value of biological assets	-	121,557,000	-	121,557,000
Administrative expenses	3,824,423	4,935,623	10,880,019	11,991,219
Profit before tax	29,161,962	149,607,761	69,787,356	190,233,156
Income tax expense	(9,155,981)	(27,777,658)	(19,594,223)	(38,215,900)
Profit after income tax	<u>20,005,982</u>	<u>121,830,103</u>	<u>50,193,133</u>	<u>152,017,256</u>

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 the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	3rd Quarter		Jan ~ Sept	
	2010 Rp	(Restated) 2009 Rp	2010 Rp	(Restated) 2009 Rp
Earnings per share for the period				
(a) based on weighted average number of shares	26	19,021,612,101	54	47,698,749,312
(b) based on a fully diluted basis	26	19,021,612,101	54	47,698,749,312
(c) based on pre-invitational number of shares	37	64	75	161
(c) based on post-invitational number of shares	26	46	54	116
Number of shares outstanding				
- Weighted average/actual number of shares	412,968,000	1	412,968,000	1
- Pre-invitational number of shares	297,110,000	297,110,000	297,110,000	297,110,000
- Post-invitational number of shares	412,968,000	412,968,000	412,968,000	412,968,000

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.

	Group		Company	
	As at 30/09/2010 Rp	As at 31/12/2009 Rp	As at 30/09/2010 Rp	As at 31/12/2009 Rp
Net asset value per ordinary share	1,867	1,420	1,669	1,233
Number of shares outstanding	412,968,000	297,110,000	412,968,000	297,110,000

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 Group performance

3Q2010 versus 3Q2009

Revenue

Our revenue for 3Q2010 decreased by Rp 9.9 billion or 12%, from Rp82.6 billion in 3Q2009 to Rp72.7 billion in 3Q2010, contributed from lower CPO sales, offset slightly by higher Palm Kernel sales.

Our revenue from CPO decreased by Rp14.2 billion, from Rp80.2 billion in 3Q2009 to Rp66.0 billion in 3Q2010, attributed by the lower sales volume though mitigated by higher average selling price. The sales volume of CPO decreased by 3,151 tons from 12,805 tons in 3Q2009 to 9,654 tons in 3Q2010. The reduction in sales volume was mainly due to a drop in fresh fruits bunch ("FFB") production, impact by biological stress on the palm trees. The average selling price increased by Rp574 per kilogram, from Rp6,264 per kilogram in 3Q2009 to Rp6,838 per kilogram in 3Q2010.

Our revenue from palm kernels increased by Rp4.3 billion, from Rp2.4 billion in 3Q2009 to Rp6.7 billion in 3Q2010. This was attributed to increase sales volume and higher average selling price. The average selling price per kilogram of palm kernels increased by Rp1,060 per kilogram from Rp2,372 per kilogram in 3Q2009 to Rp3,432 per kilogram in 3Q2010. The sales volume increased by 940 tons, from 1,015 tons in 3Q2009 to 1,955 tons in 3Q2010.

Costs of sales

Our costs of sales decreased by Rp4.9 billion or 9%, from Rp53.3 billion in 3Q2009 to Rp48.3 billion in 3Q2010. This decrease was mainly due to the decrease in the costs of FFB purchased and indirect material expenses. Decrease in the cost of FFB purchased was due to lesser FFB purchased from 3rd party, while decrease in indirect material expenses was due to lower amount of fertilizer applied in the quarter as the weather was not conducive for fertilizer application.

Gross profit

As a result of the above factors, our gross profit decreased by Rp5.0 billion or 17%, from Rp29.4 billion in 3Q2009 to Rp24.4 billion in 3Q2010. Our gross profit margin decreased from 35.5% in 3Q2009 to 33.5% in 3Q2010.

Other income

Other income decreased by Rp7.3 billion from Rp7.5 billion in 3Q2009 to Rp0.2 billion in 3Q2010. The decrease was mainly due to foreign exchange gain in 3Q2009. The foreign exchange gain was mainly due to unrealized translation gain for the balance of the Niaga US\$ Loan arising from the appreciation of the Rp against US\$.

Distribution expenses

Our distribution expenses increased by Rp0.2 billion or 53%, from Rp0.3 billion in 3Q2009 to Rp0.5 billion in 3Q2010. The increase is in line with higher palm kernel sales volume.

Administrative expenses

Our administrative expenses increased by Rp2.2 billion, from Rp3.8 billion in 3Q2009 to Rp6.0 billion in 3Q2010. This was mainly due to higher salaries with the increase headcount and higher professional fees for consultancy work.

Other expenses

Other expenses increased by Rp0.7 billion in 3Q2010. The increase was due to foreign exchange losses in 3Q2010.

Finance costs

Our finance costs decreased by Rp2.7 billion or 81%, from Rp3.4 billion in 3Q2009 to Rp0.7 billion in 3Q2010. This was mainly due to lower interest expense correspond to the lower outstanding Niaga Loan in 3Q2010 versus 3Q2009. The borrowing cost was also reduced after negotiation with the lender.

Profit before income tax

As a result of the foregoing, our profit before income tax decreased by Rp12.6 billion, from Rp29.2 billion in 3Q2009 to Rp16.6 billion in 3Q2010.

Tax expense

Our tax expenses decreased by Rp4.2 billion, from Rp9.2 billion in 3Q2009 to Rp5.0 billion in 3Q2010. The decrease is in line with the lower profit.

Profit after income tax

As a result of the above, our profit after income tax decreased by Rp8.4 billion or 42%, from Rp20.0 billion in 3Q2009 to Rp11.6 billion in 3Q2010.

9 months 2010("9M2010") versus 9 months 2009("9M2009")

Revenue

Our revenue for 9M2010 decreased by Rp29.8 billion or 13%, from Rp222.5 billion in 9M2009 to Rp192.7 billion in 9M2010, contributed from lower CPO sales, offset slightly by higher palm kernel sales.

Our revenue from CPO decreased by Rp32.1 billion, from Rp209.7 billion in 9M2009 to Rp177.6 billion in 9M2010, mainly attributed by the lower sales volume. The sales volume of CPO decreased by 8,074 tons from 35,012 tons in 9M2009 to 26,938 tons in 9M2010. The reduction in sales volume was mainly due to a drop in 2Q2010 & 3Q2010 fresh fruits bunch ("FFB") production, impact by biological stress on the palm trees which is a cyclical characteristic of palm trees. The average selling price increased by Rp602 per kilogram, from Rp5,990 per kilogram in 9M2009 to Rp6,592 per kilogram in 9M2010.

Our revenue from palm kernels increased by Rp2.4 billion, from Rp12.7 billion in 9M2009 to Rp15.1 billion in 9M2010. This was attributed to the increase in average selling price, but offset by the lower sales volume. The average selling price per kilogram of palm kernels increased by Rp908 per kilogram from Rp2,163 per kilogram in 9M2009 to Rp3,071 per kilogram in 9M2010. The sales volume decreased by 967 tons, from 5,889 tons in 9M2009 to 4,922 tons in 9M2010.

Costs of sales

Our costs of sales decreased by Rp13.2 billion or 9%, from Rp144.5 billion in 9M2009 to Rp131.3 billion in 9M2010. This decrease was mainly due to the decrease in the costs of FFB purchased, harvesting cost and indirect material expenses. This was slightly offset by increase in repair and maintenance expenses.

Gross profit

As a result of the above factors, our gross profit decreased by Rp16.7 billion or 21%, from Rp78.0 billion in 9M2009 to Rp61.3 billion in 9M2010. Our gross profit margin decreased from 35.1% in 9M2009 to 31.8% in 9M2010.

Other income

Other income decreased by Rp11.1 billion from Rp15.4 billion in 9M2009 to Rp4.3 billion in 9M2010. The decrease was mainly due to higher foreign exchange gain in 9M2009.

Distribution expenses

Our distribution expenses decreased by Rp0.3 billion or 11%, from Rp2.6 billion in 9M2009 to Rp2.3 billion in 9M2010. The decrease was mainly due to lower freight cost as a result of lower palm kernel sales volume in 9M2010.

Administrative expenses

Our administrative expenses increased by Rp11.8 billion, from Rp10.9 billion in 9M2009 to Rp22.7 billion in 9M2010. This was mainly due to the listing expenses in relation to the invitation.

Other expenses

Other expenses remains marginally constant at Rp0.2 billion.

Finance costs

Our finance costs decreased by Rp4.7 billion or 48%, from Rp9.9 billion in 9M2009 to Rp5.2 billion in 9M2010. This was mainly due to lower interest expense correspond to the lower outstanding Niaga Loan in 9M2010 versus 9M2009. The borrowing cost was also reduced after negotiation with the lender.

Profit before income tax

As a result of the foregoing, our profit before income tax decreased by Rp34.6 billion, from Rp69.8 billion in 9M2009 to Rp35.2 billion in 9M2010.

Tax expense

Our tax expenses decreased by Rp8.3 billion, from Rp19.6 billion in 9M2009 to Rp11.3 billion in 9M2010. The decrease is in line with the lower profit.

Profit after income tax

As a result of the above, our profit after income tax decreased by Rp26.3 billion or 52%, from Rp50.2 billion in 9M2009 to Rp23.9 billion in 9M2010.

Review of Financial Position as at 30 September 2010

Non-current assets

Non-current assets for the group increased by Rp31.8 billion or 5%, from Rp689.8 billion as at 31 December 2009 to Rp721.6 billion as at 30 September 2010. This was mainly due to increases in biological assets for the planting done in 9 months of 2010.

Current assets

Current assets for the group increased by Rp220.8 billion, from Rp34.3 billion as at 31 December 2009 to Rp255.1 billion as at 30 September 2010. This was mainly due to higher cash and bank balances from the Invitation proceeds.

Current liabilities

Current liabilities for the group decreased by Rp36.6 billion or 36%, from Rp102.6 billion as at 31 December 2009 to Rp66.0 billion as at 30 September 2010. This was mainly due to decrease in tax payables and also lower bank borrowings.

The decrease in tax payables was due to tax been due and paid in 2Q2010. Lower bank borrowings was due to lower outstanding repayment amount following the repayment done in 2Q2010 using the Invitation proceeds.

Non-current liabilities

Non-current liabilities for the group decreased by Rp59.9 billion or 30%, from Rp199.7 billion as at 31 December 2009 to Rp139.8 billion as at 30 June 2010. This was mainly due to lower bank borrowings and finance lease payables due to repayment of bank loan in accordance with the repayment schedule.

Review of Consolidated Cashflow

Net cashflow from operating activities for 9M2010 decreased by Rp21.4 billion, from Rp38.2 billion in 9M2009 to Rp16.8 billion in 9M2010. Lower cash inflow recorded mainly due to lower revenue in 9M2010 and also higher tax paid. Higher tax paid in FY2010 was mainly for financial year ended 31 December 2009.

Net cash used in investing activities of Rp36.8 billion comprised mainly additional planting in the quarter and also purchase of planting equipment. Net cash from financing activities of Rp231.9 billion was mainly from the Invitation proceeds offset by bank loan repayment.

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.

We expect demand for palm oil to maintain its strength supported by rising food requirements from China, India and emerging markets; as well as buoyant demand from the biofuel, oleochemicals and compound feed industries. Though CPO prices have increased in 3Q2010 as compared to prices in 2Q2010, price volatility is expected to continue given the uncertainty in the global financial market.

Production yield is expected to pick-up in the coming quarters as our palm trees recover from biological tree stress. We will also be focusing on our expansion plan while constantly reviewing our cost structure to achieve a cost competitive model in the long run.

11. Dividend

(a) Current Financial Period Reported on
None.

(b) Corresponding Period of the Immediately Preceding Financial Year
None.

(c) Date payable
Not applicable.

(d) Books closure date
Not applicable

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

No Dividend has been declared or recommended.

13. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$ 100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp' million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$ 100,000) (Rp' million)
	9M2010	9M2010
PT Bumiraya Utama Lines	2,774	NIL

14. Confirmation pursuant to Rule 705(5) of the listing manual

The Directors do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the period ended 30 September 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
Executive Chairman & CEO
10 November 2010

The initial public offering of Global Palm Resources Holdings Limited was sponsored by AmFraser Securities Pte. Ltd. (a member of AmInvestment Bank Group) and Oversea-Chinese Banking Corporation Limited (collectively, the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this announcement.