

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT**

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

**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD  
FROM 1 JANUARY 2011 TO 30 SEPTEMBER 2011**

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

	<b>3<sup>rd</sup> Qtr 2011 Rp'000</b>	<b>3<sup>rd</sup> Qtr 2010 Rp'000</b>	<b>Change %</b>	<b>YTD Sept 2011 Rp'000</b>	<b>YTD Sept 2010 Rp'000</b>	<b>Change %</b>
Revenue	91,379,531	72,730,384	26	266,343,060	192,687,735	38
Cost of sales	<u>(67,429,712)</u>	<u>(48,343,570)</u>	39	<u>(185,320,696)</u>	<u>(131,346,025)</u>	41
<b>Gross profit</b>	23,949,819	24,386,814	(2)	81,022,364	61,341,710	32
<i>Other items of income</i>						
Interest income	724,344	249,327	191	1,617,044	430,858	n.m.
Other income	1,818,599	(766,838)	n.m.	4,503,718	3,861,102	17
<i>Other items of expense</i>						
Distribution expenses	(500,645)	(483,247)	4	(1,561,798)	(2,322,849)	(33)
Administrative expenses	(5,701,365)	(5,972,516)	(5)	(17,016,000)	(22,732,693)	(25)
Finance costs	(416,889)	(660,132)	(37)	(1,312,000)	(5,214,907)	(75)
Other expenses	<u>(364,190)</u>	<u>(138,396)</u>	163	<u>(855,720)</u>	<u>(184,881)</u>	n.m.
<b>Profit before income tax</b>	19,509,673	16,615,012	17	66,397,608	35,178,340	89
Income tax expense	<u>(4,942,534)</u>	<u>(5,038,939)</u>	(2)	<u>(15,538,515)</u>	<u>(11,293,787)</u>	38
<b>Profit for the financial period</b>	<u><b>14,567,139</b></u>	<u><b>11,576,073</b></u>	<b>26</b>	<u><b>50,859,093</b></u>	<u><b>23,884,553</b></u>	<b>113</b>
<b>Other comprehensive income</b>						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	<u>(50,528)</u>	11,426,452	n.m.	<u>(6,607,541)</u>	12,005,298	n.m.
<b>Total comprehensive income for the financial period</b>	<u><b>14,516,611</b></u>	<u><b>23,002,525</b></u>	<b>(37)</b>	<u><b>44,251,552</b></u>	<u><b>35,889,851</b></u>	<b>23</b>

n.m. : Not meaningful

	<b>3<sup>rd</sup> Qtr 2011 Rp'000</b>	<b>3<sup>rd</sup> Qtr 2010 Rp'000</b>	<b>Change %</b>	<b>YTD Sept 2011 Rp'000</b>	<b>YTD Sept 2010 Rp'000</b>	<b>Change %</b>
<b>Profit attributable to:</b>						
Owners of the parent	13,843,880	10,921,958	27	48,497,940	22,235,288	118
Non-controlling interests	<u>723,259</u>	<u>654,115</u>	11	<u>2,361,154</u>	<u>1,649,265</u>	43
	<u>14,567,139</u>	<u>11,576,073</u>	26	<u>50,859,094</u>	<u>23,884,553</u>	113
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	13,793,352	22,348,410	(38)	41,890,398	34,240,586	22
Non-controlling interests	<u>723,259</u>	<u>654,115</u>	11	<u>2,361,154</u>	<u>1,649,265</u>	43
	<u>14,516,611</u>	<u>23,002,525</u>	(37)	<u>44,251,552</u>	<u>35,889,851</u>	23
<b>n.m. : Not meaningful</b>						

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

	<b>3<sup>rd</sup> Qtr 2011 Rp'000</b>	<b>3<sup>rd</sup> Qtr 2010 Rp'000</b>	<b>Change %</b>	<b>YTD Sept 2011 Rp'000</b>	<b>YTD Sept 2010 Rp'000</b>	<b>Change %</b>
Interest income	(724,344)	(249,327)	191	(1,617,044)	(430,858)	n.m.
Finance costs	416,889	660,132	(37)	1,312,000	5,214,907	(75)
Depreciation expense of property plant and equipment	2,060,993	2,025,179	2	6,138,908	5,045,858	22
Amortisation of operating use rights	11,040	11,040	-	33,120	33,120	-

**Additional information :**

EBITDA (Excluding changes in fair value less estimated point- of-sales costs of biological assets)	21,274,251	19,062,036	12	72,264,592	45,041,367	60
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**n.m. : Not meaningful**

**1(b)(i) Statement of Financial Position, together with a comparative statement as at the end of the immediately preceding financial year**

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	30/9/2011 Rp'000	31/12/2010 Rp'000	30/9/2011 Rp'000	31/12/2010 Rp'000
<b>Non-current assets</b>				
Biological assets	714,460,895	697,944,398	-	-
Property, plant and equipment	102,772,443	96,587,026	1,648,695	2,110,150
Investments in subsidiaries	-	-	389,753,124	389,753,124
Operating use rights	837,923	871,043	-	-
Club memberships	1,022,446	888,112	863,946	888,112
	<u>819,093,707</u>	<u>796,290,579</u>	<u>392,265,765</u>	<u>392,751,386</u>
<b>Current assets</b>				
Inventories	50,119,591	21,331,810	-	-
Trade and other receivables	11,996,808	7,624,539	155,693,971	151,327,000
Dividend receivable	-	-	8,665,517	16,700,000
Prepayments	1,201,219	1,254,242	507,814	432,224
Financial assets at fair value through profit or loss	595,350	466,200	-	-
Cash and cash equivalents	259,853,901	263,899,681	161,568,219	165,861,616
	<u>323,766,869</u>	<u>294,576,472</u>	<u>326,435,521</u>	<u>334,320,840</u>
<b>Current liabilities</b>				
Trade and other payables	50,721,865	34,316,270	15,921,447	16,421,272
Dividend payable	-	2,000,000	-	-
Bank borrowings	52,938,000	53,946,000	-	-
Finance lease payables	142,667	818,882	-	-
Current income tax payable	3,010,002	4,179,203	523,892	-
	<u>106,812,534</u>	<u>95,260,355</u>	<u>16,445,339</u>	<u>16,421,272</u>
Net current asset	<u>216,954,335</u>	<u>199,316,117</u>	<u>309,990,182</u>	<u>317,899,568</u>
<b>Non-current liabilities</b>				
Finance lease payables	43,030	149,033	-	-
Provision for post-employment benefits	7,855,460	7,927,196	-	-
Deferred tax liabilities	146,528,783	145,666,359	104,887	4,578
	<u>154,427,273</u>	<u>153,742,588</u>	<u>104,887</u>	<u>4,578</u>
<b>Net assets</b>	<u><b>881,620,769</b></u>	<u><b>841,864,108</b></u>	<u><b>702,151,060</b></u>	<u><b>710,646,376</b></u>
<b>Capital and reserves</b>				
Share capital	681,817,047	681,817,047	681,817,047	681,817,047
Foreign currency translation reserves	8,198,209	14,805,750	16,148,154	22,755,695
Accumulated profits	157,493,063	113,490,015	4,185,859	6,073,634
Equity attributable to owners of the parent	847,508,319	810,112,812	702,151,060	710,646,376
Non-controlling interests	34,112,450	31,751,296	-	-
<b>Total equity</b>	<u><b>881,620,769</b></u>	<u><b>841,864,108</b></u>	<u><b>702,151,060</b></u>	<u><b>710,646,376</b></u>

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

	<b>As at 30/09/2011 Rp' 000</b>	<b>As at 31/12/2010 Rp' 000</b>
<b>Amount repayable in one year or less, or on demand</b>		
Secured	53,080,667	54,764,882
Unsecured	-	-
<b>Total</b>	<b><u>53,080,667</u></b>	<b><u>54,764,882</u></b>
 <b>Amount repayable after one year</b>		
Secured	43,030	149,033
Unsecured	-	-
<b>Total</b>	<b><u>43,030</u></b>	<b><u>149,033</u></b>

The secured loans are collateralised by corporate and personal guarantees, building use rights, land operating use rights, machinery and equipment of the Group.

**1(c) Consolidated Statement of Cash Flows, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	3 <sup>rd</sup> Qtr 2011 Rp'000	3 <sup>rd</sup> Qtr 2010 Rp'000	YTD Sept 2011 Rp'000	YTD Sept 2010 Rp'000
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	<b>19,509,673</b>	<b>16,615,012</b>	<b>66,397,608</b>	<b>35,178,340</b>
Adjustments for:				
Amortisation of operating use rights	11,040	11,040	33,120	33,120
Depreciation of property, plant and equipment	2,060,992	1,805,478	6,138,908	5,045,858
(Gain)/loss from changes in fair value of financial assets at fair value through profit or loss	34,650	(18,900)	(129,150)	(50,400)
Interest expense	416,889	660,132	1,312,000	5,214,907
Interest income	(724,344)	(249,327)	(1,617,044)	(430,858)
Loss/(gain) on foreign exchange difference	1,305,472	10,560,414	(7,615,540)	9,001,759
Operating cash flows before working capital changes	22,614,372	29,383,849	64,519,902	53,992,726
<b>Working capital changes:</b>				
Inventories	(5,451,503)	8,460,114	(28,787,781)	5,006,081
Trade and other receivables	(2,252,398)	6,918,473	(4,566,769)	4,374,029
Prepayments	(338,990)	(5,816,771)	53,023	(645,588)
Trade and other payables	550,226	(11,361,874)	14,405,595	(15,292,520)
Utilisation of post-employment benefits	(58,478)	-	(71,736)	(148,065)
Cash generated from operations	15,063,229	27,583,791	45,552,234	47,286,663
Interest paid	(416,889)	(660,132)	(1,312,000)	(5,214,907)
Interest received	724,344	249,327	1,617,044	430,858
Income tax paid	(4,506,777)	(2,343,379)	(15,845,292)	(25,666,684)
<b>Net cash from operating activities</b>	<b>10,863,907</b>	<b>24,829,607</b>	<b>30,011,986</b>	<b>16,835,930</b>
<b>Cash flows from investing activities</b>				
Acquisition of biological assets	(5,611,148)	(7,408,925)	(16,516,497)	(19,173,841)
Purchase of financial assets	59,794	-	60,166	-
Purchase of plant and equipment	(1,979,451)	(10,416,365)	(12,324,325)	(17,627,493)
<b>Net cash used in investing activities</b>	<b>(7,530,805)</b>	<b>(17,825,290)</b>	<b>(28,780,656)</b>	<b>(36,801,334)</b>

	<b>3<sup>rd</sup> Qtr 2011 Rp'000</b>	<b>3<sup>rd</sup> Qtr 2010 Rp'000</b>	<b>YTD Sept 2011 Rp'000</b>	<b>YTD Sept 2010 Rp'000</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(4,494,892)	-	(4,494,892)	-
Proceed from issuance of shares	-	-	-	328,571,429
Share issue expenses	-	-	-	(15,409,523)
Repayments of bank borrowings	-	(9,003,461)	-	(62,153,520)
Repayments of obligations under finance leases	(35,900)	(451,468)	(782,218)	(1,585,803)
<b>Net cash from /(used in) financing activities</b>	<b>(4,530,792)</b>	<b>(9,454,929)</b>	<b>(5,277,110)</b>	<b>249,422,583</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,197,690)</b>	<b>(2,450,612)</b>	<b>(4,045,780)</b>	<b>229,457,179</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>261,051,591</b>	<b>234,376,602</b>	<b>263,899,681</b>	<b>2,468,811</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>259,853,901</b>	<b>231,925,990</b>	<b>259,853,901</b>	<b>231,925,990</b>



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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.

	Attributable to owners of the parent			Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Accumulated profits		
<b>Group</b>	<b>Rp'000</b>	<b>Rp'000</b>	<b>Rp'000</b>	<b>Rp'000</b>	<b>Rp'000</b>
<b>Balance at 1 January 2011</b>	<b>681,817,047</b>	<b>14,805,750</b>	<b>113,490,015</b>	<b>31,751,296</b>	<b>841,864,108</b>
<b>Profit for the financial period</b>	-	-	48,497,940	2,361,154	50,859,094
<b>Other comprehensive income for the financial period:</b>					
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(6,607,541)	-	-	(6,607,541)
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>(6,607,541)</b>	<b>48,497,940</b>	<b>2,361,154</b>	<b>44,251,553</b>
Dividend	-	-	(4,494,892)	-	(4,494,892)
<b>Balance at 30 September 2011</b>	<b>681,817,047</b>	<b>8,198,209</b>	<b>157,493,063</b>	<b>34,112,450</b>	<b>881,620,769</b>
<b>Balance at 1 January 2010</b>	<b>368,655,142</b>	<b>327,777</b>	<b>24,449,367</b>	<b>28,413,617</b>	<b>421,845,903</b>
<b>Profit for the financial period</b>	-	-	22,235,288	1,649,265	23,884,553
<b>Other comprehensive income for the financial period:</b>					
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	12,005,298	-	-	12,005,298
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>12,005,298</b>	<b>22,235,288</b>	<b>1,649,265</b>	<b>35,889,851</b>
<b>Contributions by owners of parent:</b>					
Issuance of ordinary shares pursuant to initial public offering	328,571,429	-	-	-	328,571,429
Issuance of incentive shares	17,613,040	-	-	-	17,613,040
Share issue expenses	(33,022,564)	-	-	-	(33,022,564)
<b>Total transactions with owners of the parent</b>	<b>313,161,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>313,161,905</b>
<b>Balance at 30 September 2010</b>	<b>681,817,047</b>	<b>12,333,075</b>	<b>46,684,655</b>	<b>30,062,882</b>	<b>770,897,659</b>



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<u>Company</u>	Share capital Rp'000	Foreign currency translation reserve Rp'000	Accumulated profits/(losses) Rp'000	Total Rp'000
<b>Balance at 1 January 2011</b>	<b>681,817,047</b>	<b>22,755,695</b>	<b>6,073,634</b>	<b>710,646,376</b>
<b>Profit for the financial period</b>	-	-	2,607,117	2,607,117
<b>Other comprehensive income for the financial period:</b> Foreign currency translation differences on translation of non- Indonesian rupiah financial statements	-	(6,607,541)	-	(6,607,541)
<b>Total comprehensive income for the financial period</b>	-	<b>(6,607,541)</b>	<b>2,607,117</b>	<b>(4,000,424)</b>
Dividend	-	-	(4,494,892)	(4,494,892)
<b>Balance at 30 September 2011</b>	<b>681,817,047</b>	<b>16,148,154</b>	<b>4,185,859</b>	<b>702,151,060</b>
<b>Balance at 1 January 2010</b>	<b>368,655,142</b>	<b>327,777</b>	<b>(2,630,419)</b>	<b>366,352,500</b>
<b>Profit for the financial period</b>	-	-	(8,553,114)	(8,553,114)
<b>Other comprehensive income for the financial period:</b> Foreign currency translation differences on translation of non- Indonesian rupiah financial statements	-	18,103,302	-	18,103,302
<b>Total comprehensive income for the for the financial period</b>	-	<b>18,103,302</b>	<b>(8,553,114)</b>	<b>9,550,188</b>
<b>Contributions by owners of parent:</b> Issuance of ordinary shares pursuant to initial public offering	328,571,429	-	-	328,571,429
Issuance of incentive shares	17,613,040	-	-	17,613,040
Share issue expenses	(33,022,564)	-	-	(33,022,564)
<b>Total transactions with owners of the parent</b>	<b>313,161,905</b>	-	-	<b>313,161,905</b>
<b>Balance at 30 September 2010</b>	<b>681,817,047</b>	<b>18,431,079</b>	<b>(11,183,533)</b>	<b>689,064,593</b>

**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):

<b>As at 30 September 2011</b>	<b>As at 31 December 2010</b>
412,968,000	412,968,000

**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 consolidated financial statements for the financial year ended 31 December 2010 except for the valuation of biological assets which will be undertaken at the end of the financial year. In addition, the Group also adopted various revisions to the FRS, which became effective during that period. The said adoption has no significant impact to the financial statements of the Group.

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

	<u>3<sup>rd</sup> Qtr 2011</u> <u>Rp</u>	<u>3<sup>rd</sup> Qtr 2010</u> <u>Rp</u>
Earnings per share for the period		
(a) based on weighted average number of shares	34	26
(b) based on a fully diluted basis	34	26
Number of issued ordinary shares		
- Weighted average number of shares	412,968,000	412,968,000
- Total number of shares	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.**

	<b>Group</b>		<b>Company</b>	
	As at 30/09/2011	As at 31/12/2010	As at 30/09/2011	As at 31/12/2010
	<u>Rp</u>	<u>Rp</u>	<u>Rp</u>	<u>Rp</u>
Net asset value per ordinary share	2,135	2,039	1,700	1,721
Number of issued ordinary shares	412,968,000	412,968,000	412,968,000	412,968,000

**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**

#### **3Q2011 versus 3Q2010**

##### ***Revenue***

Our revenue for 3Q2011 has increased by Rp18.7 billion or 26%, from Rp72.7 billion in 3Q2010 to Rp91.4 billion in 3Q2011, mainly contributed by higher crude palm oil ("CPO") sales of Rp18.8 billion offset by a slight decrease in palm kernel sales of Rp0.1 billion.

Revenue from CPO sales increased by Rp18.8 billion, from Rp66.0 billion in 3Q2010 to Rp84.8 billion in 3Q2011, attributed by the higher sales volume and higher average selling price. The sales volume of CPO increased by 2,352 tons from 9,654 tons in 3Q2010 to 12,006 tons in 3Q2011. The average selling price increased by Rp225 per kilogram, from Rp6,838 per kilogram in 3Q2010 to Rp7,063 per kilogram in 3Q2011.

Revenue from palm kernels decreased by Rp0.1 billion, from Rp6.7 billion in 3Q2010 to Rp6.6 billion in 3Q2011. This was mainly to a decrease in average selling price of Rp97 per kilogram from Rp3,432 per kilogram in 3Q2010 to Rp3,335 per kilogram in 3Q2011, although sales volume increased marginally by 17 tons, from 1,955 tons in 3Q2010 to 1,972 tons in 3Q2011.

##### ***Cost of sales***

Our cost of sales increased by Rp19.1 billion or 39%, from Rp48.3 billion in 3Q2010 to Rp67.4 billion in 3Q2011. This was mainly due to the increase in the CPO sales volume and costs of fresh fruit bunch ("FFB") purchased, higher labour costs, higher indirect material used (which comprised mainly cost of fertilizers), and increased prices of fuel and lubricants in line with the higher volume of production.

The quantity of FFB purchased from Plasma & 3<sup>rd</sup> party increased by 17,170 tons or 103%, from 16,596 tons in 3Q2010 to 33,766 tons in 3Q2011. Average purchase price of FFB increased by Rp4 per kilogram from Rp1,344 per kilogram in 3Q2010 to Rp1,348 per kilogram in 3Q2011.

##### ***Gross profit***

As a result of the higher cost of sales, our gross profit decreased by Rp0.4 billion or 2%, from Rp24.4 billion in 3Q2010 to Rp24.0 billion in 3Q2011. Our gross profit margin decreased 7.3% from 33.5% in 3Q2010 to 26.2% in 3Q2011.

##### ***Other income***

Other income increase is mainly due to the movement in foreign exchange rate in 3Q2011.

##### ***Distribution expenses***

Our distribution expenses remain constant at Rp0.5 billion in 3Q2010 and 3Q2011 as there was no increase in palm kernel sales which was sold ex Pontianak and therefore no freight charges incurred. CPO is sold ex bulking station at the plantation with no additional cost.

***Administrative expenses***

Our administrative expenses decreased by Rp0.3 billion, from Rp6.0 billion in 3Q2010 to Rp5.7 billion in 3Q2011 due to write-back of executive directors' bonus for FY2010 of Rp0.3 billion.

***Finance costs***

Our finance costs decreased by Rp0.3 billion, from Rp0.7 billion in 3Q2010 to Rp0.4 billion in 3Q2011. This was mainly due to lower interest expense in relation to the lower outstanding loan with CIMB Niaga in 3Q2011 versus 3Q2010.

***Profit before income tax***

As a result of the foregoing, our profit before income tax increased by Rp2.9 billion, from Rp16.6 billion in 3Q2010 to Rp19.5 billion in 3Q2011.

***Income tax expense***

Our income tax expense decreased by Rp0.1 billion, from Rp5.0 billion in 3Q2010 to Rp4.9 billion in 3Q2011. The decrease was mainly due to lower provision of deferred tax offset by higher provision for corporate tax for 3Q2011.

***Profit after income tax***

As a result of the above, our profit after income tax increased by Rp3.0 billion or 26%, from Rp11.6 billion in 3Q2010 to Rp14.6 billion in 3Q2011.

**9M2011 versus 9M2010**

***Revenue***

Our revenue for 9M2011 increased by Rp73.6 billion or 38% from Rp192.7 billion in 9M2010 to Rp266.3 billion in 9M2011, which is attributed by higher CPO sales of Rp58.5 billion and higher Palm Kernel sales of Rp 15.1 billion.

Revenue from CPO increased by Rp58.5 billion from Rp177.6 billion in 9M2010 to Rp236.1 billion in 9M2011, which is attributed by the higher sales volume and higher average selling price per kilogram from Rp6,591 in 9M2010 to Rp7,425 in 9M2011. The sales volume of CPO increased by 4,852 tons (from 26,940 tons in 9M2010 to 31,792 tons in 9M2011).

Revenue from palm kernels increased by Rp15.1 billion (from Rp15.1 billion in 9M2010 to Rp30.2 billion in 9M2011), which is attributed by the higher average selling price and higher sales volume. The average selling price of palm kernels increased by Rp2,017 per kilogram (from Rp3,071 per kilogram in 9M2010 to Rp5,088 per kilogram in 9M2011). The sales volume increased by 1,028 tons (from 4,922 tons in 9M2010 to 5,950 tons in 9M2011).

***Cost of sales***

Our cost of sales increased by Rp54.0 billion or 41% (from Rp131.3 billion in 9M2010 to Rp185.3 billion in 9M2011). This was mainly due to the increase in the sales volume and costs of FFB purchased, higher labour costs, higher indirect material used (which comprised mainly cost of fertilizers), and increased prices of fuel and lubricants in line with the higher volume of production.

***Gross profit***

As a result of the above factors, our gross profit increased by Rp19.7 billion or 32% (from Rp61.3 billion in 9M2010 to Rp81.0 billion in 9M2011). Our gross profit margin decreased by 1.4% from 31.8% in 9M2010 to 30.4% in 9M2011.

***Other income***

Other income increase is mainly due to the movement in foreign exchange rate in 9M2011.

***Distribution expenses***

Our distribution expenses decreased by Rp0.7 billion or 33% (from Rp2.3 billion in 9M2010 to Rp1.6 billion in 9M2011) as there is a decrease in sales claims by Rp1.0 billion from Rp1.1 billion in 9M2010 to Rp 0.1 billion in 9M2011.

***Administrative expenses***

Our administrative expenses decreased by Rp5.7 billion or 25% (from Rp22.7 billion in 9M2010 to Rp17.0 billion in 9M2011). This was mainly due to the listing expenses in relation to the invitation in 9M2010.

***Finance costs***

Our finance costs decreased by Rp3.9 billion or 75% (from Rp5.2 billion in 9M2010 to Rp1.3 billion in 9M2011). This was mainly due to the lower interest expense due to the lower amount of our outstanding loan with PT CIMB Niaga in 9M2011 versus 9M2010.

***Profit before income tax***

As a result of the foregoing, our profit before income tax increased by Rp31.2 billion (from Rp35.2 billion in 9M2010 to Rp66.4 billion in 9M2011).

***Income tax expense***

Our income tax expense increased by Rp4.2 billion (from Rp11.3 billion in 9M2010 to Rp15.5 billion in 9M2011). The increase is in line with the higher taxable profit.

***Profit after income tax***

As a result of the foregoing, our profit after income tax increased by Rp27.0 billion (from Rp23.9 billion in 9M2010 to Rp50.9 billion in 9M2011).

## **Review of Financial Position as at 30 September 2011**

### ***Non-current assets***

Non-current assets for the group increased by Rp22.8 billion or 2.9%, from Rp796.3 billion as at 31 December 2010 to Rp819.1 billion as at 30 September 2011. This was mainly due to increase in biological assets for the planting done in first 9 months of 2011 and purchase of planting equipment.

### ***Current assets***

Current assets for the group increased by Rp29.2 billion or 9.9%, from Rp294.6 billion as at 31 December 2010 to Rp323.8 billion as at 30 September 2011. This was mainly due to increase in inventories of CPO and Palm Kernel.

### ***Current liabilities***

Current liabilities for the group increased by Rp11.5 billion or 12.1%, from Rp95.3 billion as at 31 December 2010 to Rp106.8 billion as at 30 September 2011. This was mainly due to advance from customer offset by payment of dividend declared for FY 2010.

### ***Non-current liabilities***

Non-current liabilities for the group increased marginally by Rp0.7 billion or 0.4%, from Rp153.7 billion as at 31 December 2010 to Rp154.4 billion as at 30 September 2011. This was mainly due to slight increase in deferred tax liabilities for the portion of profit that will not be tax in the current year.

## **Review of Consolidated Cashflow**

Net cashflow from operating activities for 9M11 increased by Rp13.2 billion, from Rp16.8 billion in 9M10 to Rp30.0 billion in 9M11. Higher cash inflow was mainly due to higher revenue in 9M2011, increase in trade and other payables; offset by an increase in inventories.

Net cash used in investing activities for 9M11 of Rp28.8 billion comprised mainly additional planting in 9M11 and of the purchase of planting equipment.

Net cash used in financing activities of Rp5.3 billion was mainly for dividend paid and partial repayment for obligations under finance leases.

### **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.**

While we expect some volatility in selling prices of CPO considering the uncertainty in the global economy and increasing supply of vegetable oils, demand for palm oil is expected to remain strong in general. This is in view of rising food requirements from China, India and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries.

With the recovery of our oil palms from biological tree stress, and an expected increase in FFB purchases from plasma farmers and nearby plantations, we expect our CPO production to increase in the coming months. We also remain focused on plans to expand our operations and achieve a cost competitive model in the long run.

**11. Dividend**

(a) Current Financial Period Reported on

Any dividend declared for the 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)
	FY2011	FY2011
PT Bumiraya Utama Lines	3,253	NIL

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

The Directors of the Company 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 financial period from 1 January to 30 September 2011 to be false or misleading in any material aspects.



**BY ORDER OF THE BOARD**

Dr Tan Hong Kiat @ Suparno Adjanto  
Executive Chairman & CEO  
9 November 2011

**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.**